LABOUR PROGRAM

Workplace Gazette

Volume 6, No. 1

An Industrial Relations Quarterly

Spring 2003

- Managing by Work Teams at Aluminerie Lauralco inc.
- Taking Action on the Aging of the Labour Force—Labour-Management Consensus in Quebec
- Workplace Safety Groups—Review of North American Results

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AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

This issue includes annual and fourth quarter data for 2002 on wage adjustments in major collective agreements, both current and historical, by public and private sectors, by region, by jurisdiction and by major industry. Also, included is a listing of major settlements reached in the fourth quarter 2002, an overview of selected provisions featuring the interest arbitration and arbitration rights in Canada as well as information on work stoppages for the fourth and third quarters of 2002.

Innovative practices in the workplace resulting from collective bargaining are summarized. A case study features how Aluminerie Lauralco inc. uses work teams within its management processes. Highlights of the *Work-Life Compendium 2001* is featured followed by a review of the report *Listening to the Voices of Canadians*.

An article by P. Jalette provides an employer-union consensus in Quebec regarding the impact of the aging labour force on the economy and living conditions of workers while another entry by S. Nadeau reviews the North American results in workplace safety groups. Also featured are an anti-harassement workplace training program initiated by the United Steelworkers of America and an overview of papers and briefs delivered at a conference concerning *Globalization and the Canadian Economy*.

Recent changes in Canadian Labour Laws focus on adopted bills, regulations and other statutory instruments. Yesterday and Today deals with the effects of technology.

The Departmental Library is commenting on reading suggestions related to integrating people with disabilities into the workforce.

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MAJOR WAGE SETTLEMENTS*

Annual and Fourth Quarter 2002

Overview

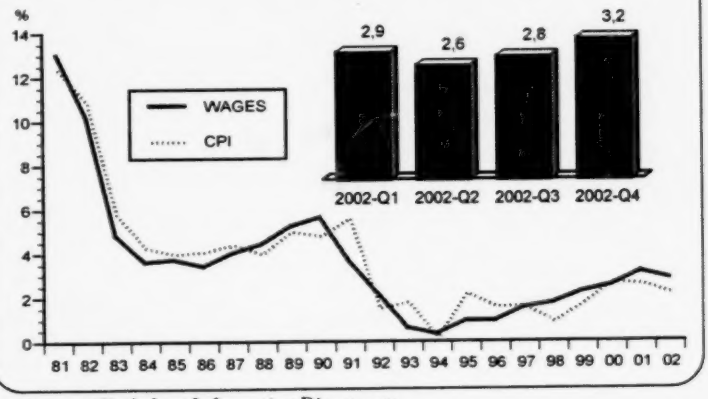
Major collective bargaining settlements reached in the year **2002** provided base-rate wage adjustments averaging **2.8 per cent** annually over the contract-term, a decrease from the 3.1 per cent average for the year 2001.

The results of the year 2002 are based on a review of 360 settlements reached, and cover 985,290 employees.

The average wage adjustment in 2002 was above the average in contracts they replaced. When the parties to these settlements last negotiated, the resulting wage adjustments averaged 2.3 per cent, compared to the 2.8 per cent in their 2002 contracts.

Chart A

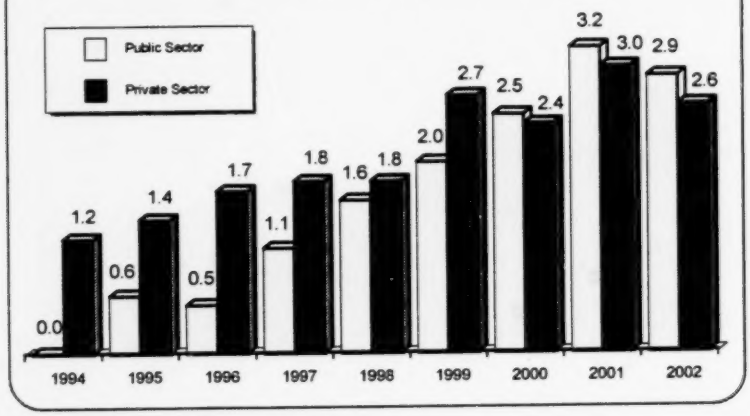
Major Wage Settlements
Average Annual Percentage Adjustment in Base Rates



Source : Workplace Information Directorate

Chart B

Major Wage Settlements by Public/Private Sectors
Average Annual Percentage Adjustment in Base Rates



Source : Workplace Information Directorate

Public and Private Sectors

Wage gains in the private sector remained above those in the public sector, throughout the 1990's. Since the year 2000, public sector increases have been slightly higher than those in the private sector. Wage adjustments in the **private sector** averaged **2.6 per cent** in

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

2002, compared to **3.0 per cent in** the previous year; wage adjustments in the **public sector** averaged **2.9 per cent** in 2002, compared to **3.2 per cent** in the previous year.

Contract Duration

Contract duration has declined recently. The duration averaged 29.4 months in 2002, the shortest since 1994 (when the average was 28.4 months), but still longer than the 18.2 month average for contracts ratified in 1991. Two factors were largely responsible for this reduction in average contract duration: the signing of 63 collective agreements in the Quebec public and parapublic sectors, with contract durations of under 12 months (to facilitate the implementation of wage equity) and to a lesser extent, the ratification of 17 contracts of 12 months duration in the Ontario education sector. Together, these contracts in Quebec and Ontario represent 22 per cent of the collective agreements ratified in 2002 and 31 per cent of those in the public sector. Since the early 1990s, average contract duration in the public sector has always been shorter than in the private sector.

Even though only a few contracts were involved, the New Brunswick public sector, with an average contract duration of 50.4 months, had the highest proportion of long-term contracts ratified in 2002. The second highest was in British Columbia, where almost half of the 35 agreements ratified in 2002 were of longer duration, 42 months on average. Most of these long-term settlements were in the construction industry and several were retroactive to 2000.

Cost-of-Living Allowances

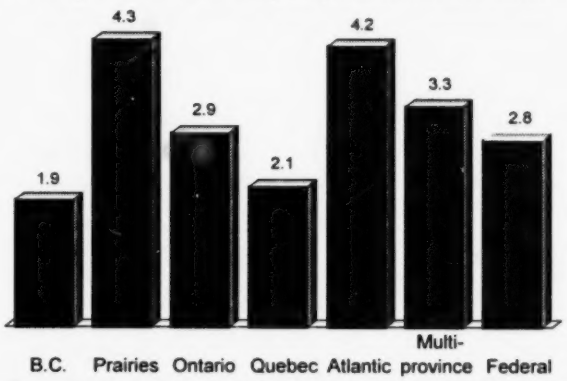
The incidence of COLA clauses has also declined over the years. Whereas 32.6 per cent of agreements reached in 1990 contained a COLA clause, by the year 2000 the figure had dropped to 8.0 per cent, and in 2002 the figure was 9.0 per cent of settlements.

Distribution of Wage Adjustments

In 2002, 0.9 per cent of all employees were subject to a wage freeze. There were no wage cuts. A very large concentration of employees (55 per cent) received wage increases in the 2.0 to 2.9 per cent range. Approximately 23 per cent of employees received increases of 3.0 to 3.9 per cent. Just slightly below 9.0 per cent of employees received increases of 0.1 to 1.9 per cent. Slightly over 12 per cent of employees received wage gains of 4.0 per cent and over.

Chart C

Major Wage Settlements by Region/Jurisdiction
Average Annual Percentage Adjustment in Base Rates



Source : Workplace Information Directorate

Region/Jurisdiction

The largest concentration of settlements in 2002 were in Ontario and Quebec (37.8 per cent and 20.6 per cent of all agreements reached, respectively). In Ontario, 136 agreements provided 314,270 employees with wage increases averaging 2.9 per cent; the majority of these were public-sector settlements. The private-sector settlements included the important auto sector agreements with wage increases averaging 4.0 per cent. In

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Quebec, 74 agreements provided 302,280 employees with wage gains averaging 2.1 per cent; of these, 58 were public-sector settlements providing 268,650 employees with wage increases averaging 2.0 per cent. The largest average increase in wages for major settlements was recorded in Newfoundland and Labrador, at 6.6 per cent. The smallest average wage figure was recorded in British Columbia, at 1.9 per cent. Wage increases in the Prairie provinces averaged 4.3 per cent and in the Federal jurisdiction, 2.8 per cent.

Industry

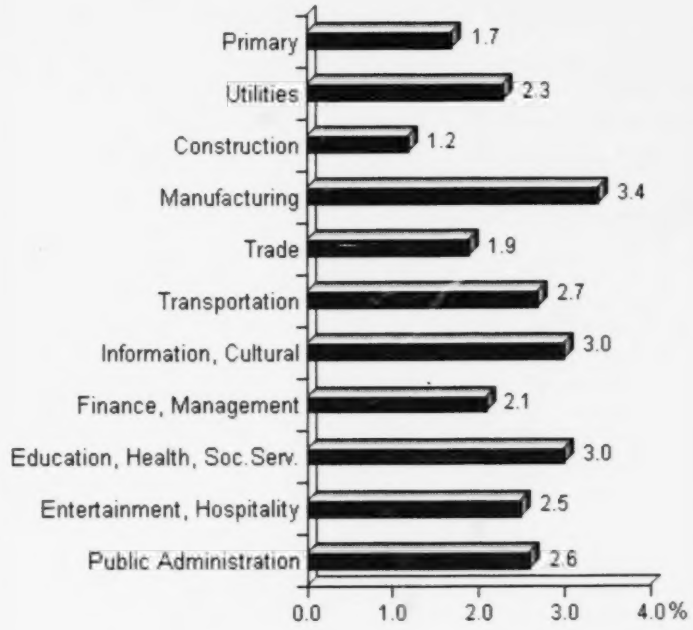
On an industry basis, the largest average wage increase was in **manufacturing,** at **3.4 per cent**. The next largest wage gains were in **the information and culture sector** and in **education, health and social services**, both at **3.0 per cent.** Settlement levels in all remaining industry groups stood below 3.0 per cent. The smallest average wage increase was reported in **primary industries** at **1.7 per cent**.

Fourth Quarter—2002

- A total of 75 agreements were settled in **the fourth quarter 2002**, providing some 136,930 employees with average base rate increases of **3.2 per cent**.

Chart D

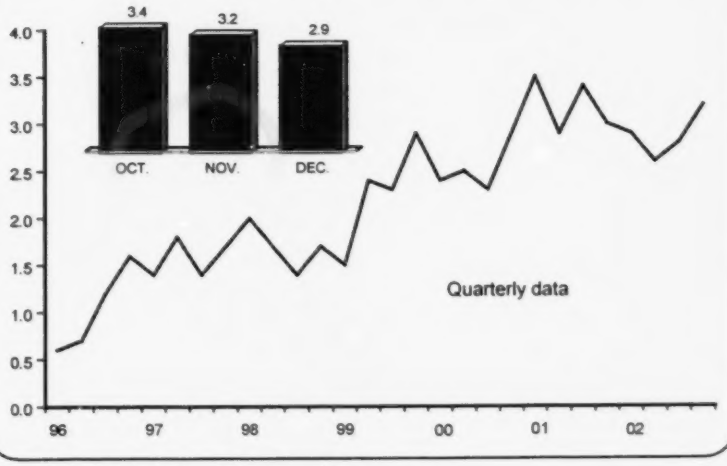
Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



Source : Workplace Information Directorate

Chart E

Major Wage Settlements by Region/Jurisdiction
Average Annual Percentage Adjustment in Base Rates



Source : Workplace Information Directorate

When the parties to these settlements previously negotiated, contract-duration averaged 33.6 months and the resulting wage adjustments averaged 3.3 per cent, compared to the 3.2 per cent in their current round of settlements and average contract-duration of 30.6 months.

- Wage gains in the fourth quarter were slightly lower in the **public sector (3.2 per cent)** than in the **private sector (3.3 per cent)**.

- On a regional/jurisdictional basis, wage adjustments in the fourth quarter were: Atlantic Provinces, 3.0 per cent; Quebec, 2.0 per cent; Ontario, 3.3 per cent; Prairie Provinces, 3.9 per cent; British Columbia, 1.9 per cent; Federal, 2.8 per cent.

- On an industry basis, wage increases in descending order of magnitude were: utilities, 3.3 per cent; manufacturing, 3.9 per cent; trade, 1.8 per cent; transportation, 2.7 per cent; finance, 3.2 per cent; education, health, 3.2 per cent; entertainment and hospitality, 1.7 per cent; public administration, 2.9 per cent.

Wage Data for the Year 2002 for Small, Medium and Large Size Bargaining Units

Among the 513 collective bargaining settlements reached in 2002, included were 146 small bargaining units (between 100 and 499 employees), 260 medium-sized bargaining units (500 to 1,999 employees), and 107 large bargaining units with 2,000 employees and over. During this period, the overall base-rate wage adjustment averaged 2.8 per cent. The **public sector** wage adjustment of **2.9 per cent** was higher than the **2.5 per cent** figure reported for the **private sector.**

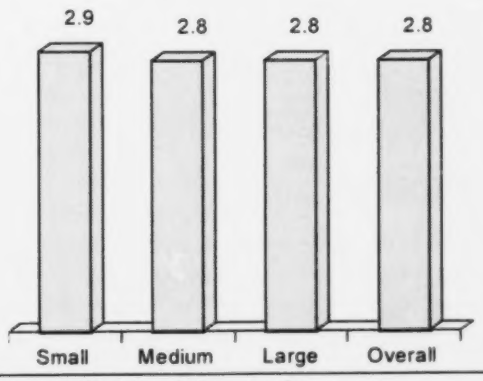
Settlements reached in **small** bargaining units resulted in an average increase of **2.9 per cent. Public sector** settlements provided an average increase of **3.3 per cent,** higher than the **private sector** figure of **2.4 per cent.** On an industry basis, the **finance, real estate and management services** sector had the highest wage adjustment at **4.0 per cent** while the **primary industries** reported the lowest average at **1.6 per cent.** On a regional/jurisdictional basis, average increases ranged from a high of **4.5 per cent** in the **Prairie Provinces** to a low of **1.6 per cent** in **British Columbia.**

Medium-sized bargaining units obtained an average wage increase of **2.8 per cent. Public sector** settlements resulted in an average increase of **3.0 per cent** while the **private sector** figure stood at **2.5 per cent.** On an industry basis, two sectors, **education, health and social services** and **public administration** had the highest wage adjustment at **3.0 per cent** while the **construction** sector reported the lowest average at **1.5 per cent.** On a regional/jurisdictional basis, average increases ranged from a high of **3.9 per cent** in the **Multiprovince** category to a low of **1.8 per cent** in **British Columbia.**

For **large** bargaining units, the average wage increase reported was **2.8 per cent. Public sector** average wage increases **(2.8 per cent)** were slightly higher than the **private sector** average wage adjustment of **2.6 per cent.** On an industry basis, the **manufacturing** sector had the highest wage adjustment at **3.6 per cent** while **construction** reported the lowest increase at **1.0 per cent.** On a regional/ jurisdictional basis, average increases ranged from a high of **4.7 per cent** in the **Prairie Provinces** to a low of **2.0 per cent** reported in **British Columbia** and **Quebec.**

Chart F

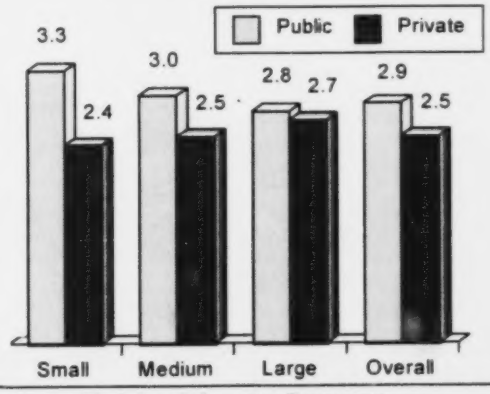
Average Annual Adjustment by Size of Bargaining Units



Source : Workplace Information Directorate

Chart G

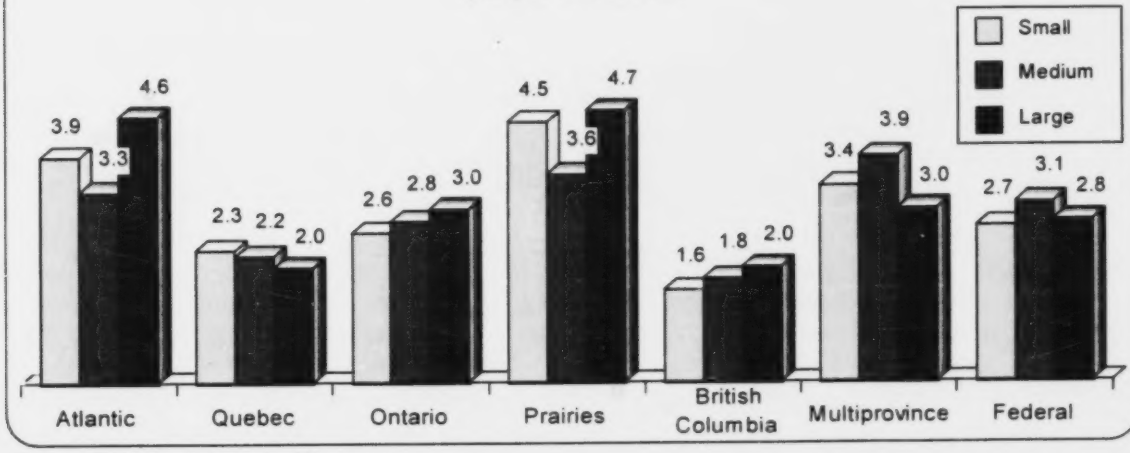
Annual Average Percentage Adjustment by Size of Bargaining Units, by Public and Private Sectors



Source : Workplace Information Directorate

Chart H

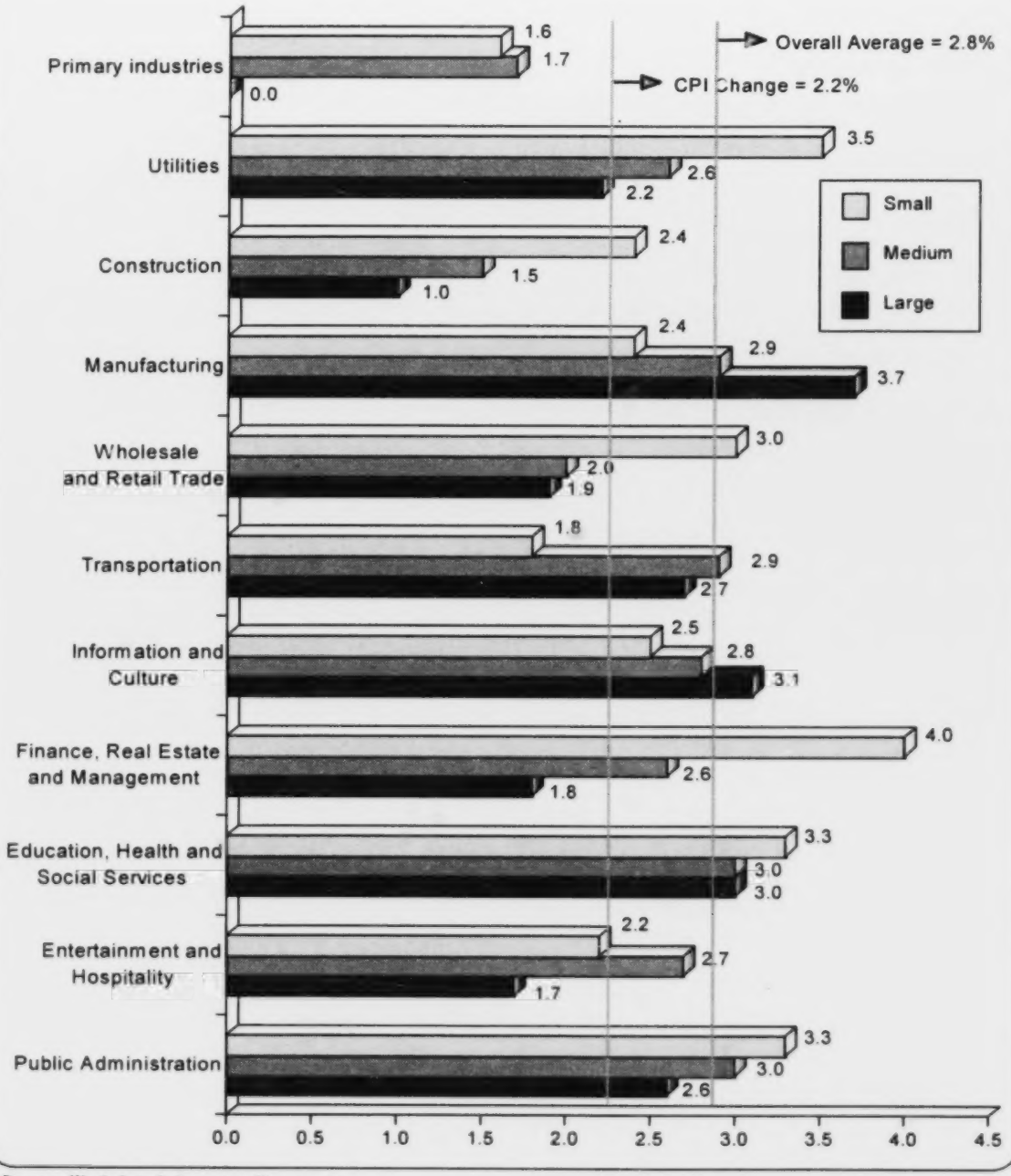
Annual Average Percentage Adjustment by Size of Bargaining Units, by Region/Jurisdiction



Source : Workplace Information Directorate

Chart I

Annual Average Percentage Adjustment by Size of Bargaining Units, by Industry



Source : Workplace Information Directorate

Major Settlements Reached in the Fourth Quarter 2002

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Utilities (4 agreements)	**2,550**	**3.3**	**3.4**	**33.2**	
Hydro One Inc., scientific and other professionals, province-wide, Ont.	780	3.1	3.0	27	2005-03-31
Newfoundland and Labrador Hydro, plant and maintenance employees, province-wide, Nfld.	500	4.4	5.1	36	2005-03-31
Toronto Hydro, outside employees, Toronto, Ont.	770	3.0*	3.0	36	2006-01-31
Toronto Hydro, salaried employees, Toronto, Ont.	500	3.0*	3.0	36	2006-01-31
Manufacturing (11 agreements)	**29,740**	**3.9**	**3.6**	**37**	
Accuride Canada Inc., plant and maintenance employees, London, Ont.	550	2.9	3.0	36	2006-03-12
DaimlerChrysler Canada Inc., plant and maintenance employees, Ajax, Ont.	600	4.1*	3.8	36	2005-09-20
DaimlerChrysler Canada Inc., plant and maintenance employees, Bramalea, Ont.	4,230	4.1*	3.8	36	2005-09-20
DaimlerChrysler Canada Inc., plant and maintenance employees, Windsor, Ont.	7,250	4.1*	3.8	36	2005-09-20
Ford Motor Company of Canada Limited, plant and maintenance employees, Windsor, Ont.	13,000	4.1*	3.8	36	2005-09-20
IPSCO Saskatchewan Inc., production employees, Regina, Sask.	740	1.8*	0.9	48	2006-07-31
Kodak Canada Inc., plant and maintenance employees, Toronto, Ont.	530	3.0	3.0	24	2004-11-06
Lear Canada Ltd., plant and maintenance employees, Whitby, Ont.	740	2.5*	2.2	36	2005-11-25
McGregor Hosiery Mills, production employees, Toronto, Ont.	600	2.7	2.8	36	2005-10-22
NorskeCanada Limited, mill employees, Crofton, B.C.	650	2.2	2.5	60	2008-04-30
Rolls-Royce Canada Limited, production employees, Lachine, Que.	850	3.2	3.0	48	2006-04-02
Wholesale and Retail Trade (1 agreement)	**1,200**	**1.8**	**1.8**	**36**	
No Frills Franchise Stores, retail employees, Oakville, Ont.	1,200	1.8	1.8	36	2005-09-14
Transportation (3 agreements)	**9,800**	**2.7**	**4.6**	**45.3**	
Air Canada, flight attendants, system-wide	7,920	2.6	5.1	46	2005-08-31
Air Transat, flight attendants, system-wide	1,200	3.4	2.5	46	2005-10-31
City of Mississauga, bus drivers, Mississauga, Ont.	680	2.5	2.5	36	2005-09-30
Finance, Real Estate, Management Services (3 agreements)	**1,940**	**3.2**	**3.9**	**57.3**	
National Research Council of Canada, support employees, Canada-wide	530	7.3	12.4	24	2003-04-30
Saskatchewan Crop Insurance Corporation, office and clerical employees, Regina, Sask.	510	2.4	1.8	36	2003-09-30
Sécur, armoured car services, province-wide, Que.	900	1.2	0.0	89	2005-09-30
Education, Health and Social Services (39 agreements)	**56,720**	**3.2**	**3.3**	**25.8**	
Algonquin and Lakeshore Catholic District School Board, elementary and secondary teachers, Kingston, Ont.	740	2.6	2.8	24	2004-08-31
Board of Education of the Saskatoon School Division No. 13, support employees, Saskatoon, Sask.	620	3.4	3.0	36	2004-12-31
Board of Trustees Edmonton School District No. 7, custodial, Edmonton, Alta.	600	5.0	5.0	24	2004-08-31

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Education, Health and Social Services (continued)					
Board of Trustees Edmonton School District No. 7, office and clerical employees, Edmonton, Alta.	1,400	5.1	5.1	24	2004-08-31
Board of Trustees of the Edmonton Catholic Regional Division No. 40, office and clerical employees, Edmonton, Alta.	640	5.6	5.6	12	2002-12-31
Cape Breton-Victoria Regional School Board, support employees, Cape Breton Island, N.S.	1,400	2.5	2.5	36	2004-03-31
Carleton University, support employees, Ottawa, Ont.	650	2.5	2.5	24	2004-06-30
Children's Aid Society of Toronto, office and clerical employees, Toronto, Ont.	600	3.5	3.5	36	2005-03-31
City of Toronto, health and social care professionals, Toronto, Ont.	2,000	3.0	3.0	36	2004-12-31
Conseil scolaire catholique de district des Grandes Rivières, elementary and secondary teachers, Timmins, Ont.	750	2.7	2.7	36	2004-08-31
District School Board of Niagara, elementary teachers, St. Catharines, Ont.	1,900	2.1	2.1	12	2003-08-30
Dufferin-Peel Catholic District School Board, occasional teachers, Mississauga, Ont.	790	2.3	5.1	32	2004-08-31
Edmonton Catholic Separate School District No. 7, elementary and secondary teachers, Edmonton, Alta.	1,830	4.5	6.2	36	2004-08-31
Gouvernement du Québec, comité de coordination patronal, ambulance technicians, province-wide, Que.	3,500	1.3	2.0	18	2003-12-31
Government of Nunavut, elementary and secondary teachers, Terriroty-wide, Nunavut	640	3.1	3.0	36	2005-06-30
Government of Quebec, health and social care professionals, province-wide, Que.	1,880	2.5	2.5	12	2003-06-30
Governors of the University of Calgary, lecturers, Calgary, Alta.	1,940	3.6	3.5	24	2004-06-30
Grand Erie District School Board, secondary teachers, Brantford, Ont.	800	2.5	2.5	12	2002-08-31
Hastings and Prince Edward District School Board, elementary teachers, Belleville, Ont.	710	2.6	2.6	12	2002-08-31
Limestone District School Board, elementary teachers, Kingston, Ont.	800	2.1	2.1	12	2003-08-31
Niagara Catholic District School Board, elementary teachers, Welland, Ont.	830	3.1	3.2	24	2004-08-31
Niagara Catholic District School Board, support employees, Welland, Ont.	660	2.3	4.3	44	2005-08-31
Peterborough-Victoria-Northumberland and Clarington Catholic District School Board, elementary and secondary teachers, Peterborough, Ont.	860	3.3	3.3	24	2004-08-31
Provincial Health Authorities of Alberta, nursing assistants, province-wide, Alta.	7,050	3.5	4.0	24	2004-03-31
St. Boniface General Hospital, service and maintenance employees, St. Boniface, Man.	1,500	3.3	3.0	24	2004-03-31
Saskatchewan Association of Health Organizations, health and social care professionals, province-wide, Sask.	2,500	4.8	3.0	36	2004-03-31
Seven Oaks School Division No.10, elementary and secondary teachers, Seven Oaks, Man.	640	3.0	3.0	12	2003-06-30
Thames Valley District School Board, elementary teachers, London, Ont.	3,250	2.5	2.5	12	2003-08-30
University of Calgary, support employees, Calgary, Alta.	2,900	4.0	4.0	36	2005-03-31
University of Guelph, office and clerical employees, Guelph, Ont.	820	3.0	3.0	36	2005-04-30
University of Ottawa, professors, Ottawa, Ont.	1,130	6.9	5.7	36	2004-08-31
University of Ottawa, teaching assistants, Ottawa, Ont.	1,640	3.0	3.0	24	2004-08-31
University of Quebec in Montréal, support employees, Montréal, Que.	1,450	2.0	2.0	12	2003-11-30
University of Toronto, administrative services employees, Toronto, Ont.	3,000	3.0	3.0	36	2005-06-30

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Education, Health and Social Services (continued)					
University of Toronto, casual employees, Toronto, Ont.	1,300	3.0	3.0	36	2005-06-3
University of Toronto, service and maintenance employees, Toronto, Ont.	570	3.0	3.0	24	2004-06-30
Waterloo Region District School Board, teaching assistants, Waterloo County, Ont.	530	2.3	2.3	12	2002-08-31
York University, teaching assistants, Toronto, Ont.	1,900	2.7	2.2	36	2005-08-31
Entertainment and Hospitality (1 agreement)	**900**	**1.7**	**1.0**	**48**	
Coast Hotels Ltd., hotel and restaurant employees, Nanaimo, B.C.	900	1.7	1.0	48	2006-04-30
Public Administration (13 agreements)	**34,080**	**2.9**	**2.7**	**34.5**	
City of Calgary, police officers, Calgary, Alta.	1,430	3.3	3.5	24	2003-12-31
City of Kingston, outside employees, Kingston, Ont.	1,200	2.9	3.0	36	2004-12-31
City of Ottawa, firefighters, Ottawa, Ont.	800	1.8	0.0	36	2003-12-31
City of Ottawa, health and social care professionals, Ottawa, Ont.	1,000	2.5	0.0	36	2003-12-31
City of Toronto, inside employees, Toronto, Ont.	11,000	3.0	3.0	36	2004-12-31
City of Toronto, inside and outside employees, Toronto, Ont.	1,500	3.0	3.0	36	2004-12-31
City of Toronto, outside employees, Toronto, Ont.	5,200	3.0	3.0	36	2004-12-31
City of Toronto, recreational employees, Toronto, Ont.	5,000	3.0	3.0	36	2004-12-31
Government of Canada, finance employees, Canada-wide	2,560	2.5	2.8	36	2004-11-06
Government of New Brunswick, health and social care professionals, province-wide, N.B.	1,250	3.2	2.0	48	2004-08-15
Government of Quebec, correctional officers, province-wide, Que.	2,000	2.0	2.0	12	2003-12-31
Halifax Regional Municipality, inside employees, Halifax, N.S.	530	2.7	3.0	36	2004-10-31
Waterloo Regional Police Services Board, police officers, Waterloo, Ont.	610	3.3	3.4	36	2004-12-31
***Agreements with COLA (8 agreements)**	**27,830**	**3.9***	**3.6**	**36.3**	
***Agreements without COLA (67 agreements)**	**109,100**	**3.0**	**3.2**	**31.7**	
***All Agreements (75 agreements)**	**136,930**	**3.2**	**3.3**	**32.6**	

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Source: Workplace Information Directorate

A list of settlements of small bargaining units (less than 500 employees) is available on the Workplace Information Directorate Web site at:

http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/.

Table 1

Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Year												
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	276	17.0	635.2	3.9	283	26.1	521.0	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	321	25.3	709.2	3.6	232	26.0	412.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	294	30.0	736.0	5.2	159	28.6	265.8	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	301	21.7	975.9	2.0	195	32.2	330.9	2.6	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	-0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	215	31.5	629.6	0.6	187	35.9	279.2	1.4	402	32.8	908.8	0.9
1996	212	31.7	564.3	0.5	166	34.7	246.1	1.7	378	32.6	810.4	0.9
1997	220	30.3	370.3	1.1	159	38.1	321.9	1.8	379	33.9	692.2	1.5
1998	221	31.1	646.3	1.6	191	33.7	292.0	1.8	412	31.9	938.3	1.7
1999	219	35.0	510.6	2.0	160	38.3	317.6	2.7	379	36.3	828.1	2.2
2000	303	33.6	918.0	2.5	103	42.1	163.3	2.4	406	34.9	1,081.3	2.5
2001	258	31.9	690.3	3.2	164	36.4	293.8	3.0	422	33.3	984.1	3.1
2002 *	256	25.8	775.4	2.9	104	40.8	209.9	2.6	360	29.0	985.3	2.8
* Year to Date												
Quarter												
1999 I	79	32.5	192.9	1.3	32	37.5	59.0	2.2	111	33.7	251.9	1.5
II	72	37.4	208.5	2.4	54	40.8	64.0	2.5	126	38.2	272.4	2.4
III	33	36.9	50.0	2.3	42	37.4	127.1	2.4	75	37.3	177.1	2.4
IV	35	33.3	59.3	2.2	32	38.3	67.5	3.8	67	35.9	126.7	3.0
2000 I	122	39.9	497.4	2.4	30	30.5	39.2	3.0	152	39.2	536.6	2.4
II	58	21.3	208.4	2.5	29	41.1	34.3	2.6	87	24.1	242.7	2.6
III	44	33.5	79.6	2.6	20	52.2	58.8	1.9	64	41.4	138.4	2.3
IV	79	29.3	132.5	3.0	24	38.6	31.0	2.3	103	31.1	163.6	2.9
2001 I	59	29.7	144.3	3.8	20	35.9	34.1	2.5	79	30.8	178.4	3.5
II	88	30.9	200.8	2.7	69	35.6	109.8	3.0	157	32.6	310.6	2.8
III	58	31.2	129.0	3.5	43	35.8	117.4	3.3	101	33.4	246.4	3.4
IV	53	34.9	216.2	3.1	32	41.5	32.5	2.4	85	35.8	248.7	3.0
2002 I	45	34.5	174.3	3.0	19	36.3	33.9	2.2	64	34.8	208.2	2.9
II	105	19.9	406.0	2.7	25	38.1	47.5	2.5	130	21.8	453.5	2.6
III	48	30.8	103.6	3.1	43	45.5	83.1	2.4	91	37.3	186.7	2.8
IV	58	29.7	91.6	3.2	17	38.5	45.4	3.3	75	32.6	136.9	3.2

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment (%)

Table 2

Effective Wage Adjustment in Base Rates, by Region/Jurisdiction, by Year and Quarter

	2000	2001	2002	2002			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	2.5	3.1	2.8	2.9	2.6	2.8	3.2
Atlantic	2.6	3.9	4.2	5.7	3.9	3.2	3.0
Newfoundland and Labrador	3.3	5.0	6.6	7.5	6.0	-	4.4
Prince Edward Island	2.2	3.1	4.9	-	3.2	6.0	-
Nova Scotia	2.2	3.7	2.4	2.5	2.3	2.5	2.5
New Brunswick	2.8	3.4	2.9	3.1	2.3	3.3	3.2
Quebec	2.4	2.8	2.1	2.5	2.1	2.2	2.0
Ontario	2.6	2.9	2.9	2.7	2.8	3.0	3.3
Prairies	3.9	4.2	4.3	3.6	5.4	3.7	3.9
Manitoba	2.6	2.4	4.0	2.8	5.4	3.0	3.2
Saskatchewan	3.5	2.9	3.9	3.2	4.2	3.9	3.8
Alberta	4.7	5.1	5.0	6.8	6.3	4.4	3.9
British Columbia	1.6	2.7	1.9	2.5	1.0	1.4	1.9
Territories	2.9	3.1	3.0	-	3.0	-	3.1
Multiprovince	2.4	3.2	4.3	-	-	4.3	-
Federal	2.2	3.0	2.8	2.8	2.8	2.9	2.8
Public Sector							
CANADA	2.5	3.2	2.9	3.0	2.7	3.1	3.2
Atlantic	2.9	4.0	4.3	5.7	4.1	3.1	3.0
Newfoundland and Labrador	5.3	5.0	7.2	7.5	7.1	-	4.4
Prince Edward Island	2.2	3.1	4.9	-	3.2	6.0	-
Nova Scotia	2.2	3.8	2.3	2.5	2.3	2.1	2.5
New Brunswick	3.5	3.5	3.0	3.1	2.4	3.3	3.2
Quebec	2.3	2.7	2.0	2.6	2.0	2.5	2.2
Ontario	2.7	3.0	2.8	2.8	2.8	2.8	2.9
Prairies	3.9	4.1	4.8	4.2	6.1	3.9	3.9
Manitoba	2.5	2.4	4.6	3.1	6.4	3.0	3.2
Saskatchewan	3.6	2.9	4.4	4.2	5.3	3.9	4.2
Alberta	4.7	4.9	5.1	6.8	6.3	5.0	3.9
British Columbia	1.4	2.7	2.2	2.5	0.2	1.9	-
Territories	2.9	3.1	3.0	-	3.0	-	3.1
Multiprovince	-	-	-	-	-	-	-
Federal	2.2	3.1	2.9	2.9	2.9	2.9	3.4
Private Sector							
CANADA	2.4	3.0	2.6	2.2	2.5	2.4	3.3
Atlantic	1.7	3.3	3.0	-	2.7	4.0	-
Newfoundland and Labrador	2.0	-	3.0	-	3.0	-	-
Prince Edward Island	-	-	-	-	-	-	-
Nova Scotia	1.7	3.3	4.0	-	-	4.0	-
New Brunswick	1.4	3.0	2.0	-	2.0	-	-
Quebec	3.3	2.8	2.5	2.4	3.3	2.2	1.7
Ontario	2.3	2.8	3.1	2.1	2.4	3.1	3.9
Prairies	3.9	4.8	1.6	1.6	0.8	2.4	1.8
Manitoba	3.3	2.5	1.3	1.7	0.0	2.6	-
Saskatchewan	2.0	2.9	1.6	1.6	1.6	-	1.8
Alberta	5.0	5.5	2.3	-	-	2.3	-
British Columbia	2.0	1.7	1.4	-	1.9	1.3	1.9
Territories	-	-	-	-	-	-	-
Multiprovince	2.4	3.2	4.3	-	-	4.3	-
Federal	2.2	2.6	2.6	2.4	2.8	3.0	2.6

Table 3

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

	2000		2001		2002	
	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)
All Sectors						
CANADA	406	1,081.3	422	984.1	360	985.3
Atlantic	19	28.5	33	62.9	26	47.5
Newfoundland and Labrador	4	5.0	7	16.1	6	17.7
Prince Edward Island	2	1.3	5	6.7	2	1.7
Nova Scotia	4	11.7	15	19.4	10	16.7
New Brunswick	9	10.4	6	20.6	8	11.5
Quebec	96	345.9	42	110.6	74	302.3
Ontario	150	286.9	180	308.5	136	314.3
Prairies	62	109.3	76	147.8	60	127.8
Manitoba	20	29.7	16	12.8	23	44.6
Saskatchewan	4	14.3	14	41.9	13	34.0
Alberta	38	65.2	46	93.1	24	49.2
British Columbia	38	67.7	34	167.1	32	92.8
Territories	3	5.6	2	2.0	2	3.8
Multiprovince	3	2.8	8	13.8	1	1.0
Federal	35	234.7	47	171.6	29	95.8
Public Sector						
CANADA	303	918.0	258	690.3	256	775.4
Atlantic	10	20.6	25	55.5	22	42.9
Newfoundland and Labrador	3	2.0	7	16.1	5	15.2
Prince Edward Island	2	1.3	5	6.7	2	1.7
Nova Scotia	2	10.6	8	13.3	8	15.6
New Brunswick	3	6.7	5	19.4	7	10.5
Quebec	76	322.0	18	25.8	58	268.7
Ontario	105	212.6	108	187.0	97	224.9
Prairies	58	106.0	55	118.1	48	111.3
Manitoba	19	28.6	9	7.2	17	37.2
Saskatchewan	3	13.8	12	40.6	8	27.9
Alberta	36	63.7	34	70.3	23	46.2
British Columbia	29	41.6	24	157.6	12	60.2
Territories	3	5.6	2	2.0	2	3.8
Multiprovince	-	-	-	-	-	-
Federal	22	209.5	26	144.3	17	63.7
Private Sector						
CANADA	103	163.3	164	293.8	104	209.9
Atlantic	9	7.8	8	7.3	4	4.6
Newfoundland and Labrador	1	3.0	-	-	1	2.5
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	2	1.1	7	6.1	2	1.1
New Brunswick	6	3.7	1	1.2	1	1.0
Quebec	20	23.8	24	84.7	16	33.6
Ontario	45	74.3	72	121.5	39	89.4
Prairies	4	3.2	21	29.7	12	16.6
Manitoba	1	1.1	7	5.7	6	7.4
Saskatchewan	1	0.6	2	1.2	5	6.1
Alberta	2	1.5	12	22.8	1	3.0
British Columbia	9	26.0	10	9.4	20	32.6
Territories	-	-	-	-	-	-
Multiprovince	3	2.8	8	13.8	1	1.0
Federal	13	25.2	21	27.3	12	32.0

Table 3 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

	2002							
	1		2		3		4	
	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)
All Sectors								
CANADA	64	208.2	130	453.5	91	186.7	75	136.9
Atlantic	4	13.0	10	22.1	8	8.7	4	3.7
Newfoundland and Labrador	1	8.0	4	9.2	-	-	1	0.5
Prince Edward Island	-	-	1	0.6	1	1.0	-	-
Nova Scotia	2	1.7	2	8.1	4	4.9	2	1.9
New Brunswick	1	3.3	3	4.2	3	2.8	1	1.3
Quebec	8	10.8	55	266.9	6	14.9	5	9.7
Ontario	22	78.9	34	84.8	36	66.6	44	84.0
Prairies	17	15.7	16	47.6	13	40.2	14	24.3
Manitoba	9	8.1	6	19.5	6	14.8	2	2.1
Saskatchewan	4	5.1	4	12.2	1	12.4	4	4.4
Alberta	4	2.5	6	15.9	6	13.0	8	17.8
British Columbia	4	47.6	6	9.6	20	34.1	2	1.6
Territories	-	-	1	3.2	-	-	1	0.6
Multiprovince	-	-	-	-	1	1.0	-	-
Federal	9	42.1	8	19.4	7	21.2	5	13.1
Public Sector								
CANADA	45	174.3	105	406.0	48	103.6	58	91.6
Atlantic	4	13.0	8	18.6	6	7.6	4	3.7
Newfoundland and Labrador	1	8.0	3	6.7	-	-	1	0.5
Prince Edward Island	-	-	1	0.6	1	1.0	-	-
Nova Scotia	2	1.7	2	8.1	2	3.8	2	1.9
New Brunswick	1	3.3	2	3.2	3	2.8	1	1.3
Quebec	4	4.2	50	256.4	1	2.8	3	5.3
Ontario	15	60.6	26	78.8	21	30.3	35	55.3
Prairies	13	12.0	13	40.9	9	34.8	13	23.6
Manitoba	7	6.3	5	16.4	3	12.4	2	2.1
Saskatchewan	2	3.2	2	8.7	1	12.4	3	3.6
Alberta	4	2.5	6	15.9	5	10.0	8	17.8
British Columbia	4	47.6	3	4.9	5	7.6	-	-
Territories	-	-	1	3.2	-	-	1	0.6
Multiprovince	-	-	-	-	-	-	-	-
Federal	5	37.0	4	3.2	6	20.5	2	3.1
Private Sector								
CANADA	19	33.9	25	47.5	43	83.1	17	45.4
Atlantic	-	-	2	3.5	2	1.1	-	-
Newfoundland and Labrador	-	-	1	2.5	-	-	-	-
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	-	-	-	-	2	1.1	-	-
New Brunswick	-	-	1	1.0	-	-	-	-
Quebec	4	6.7	5	10.6	5	12.1	2	4.4
Ontario	7	18.4	8	6.0	15	36.3	9	28.7
Prairies	4	3.7	3	6.7	4	5.5	1	0.7
Manitoba	2	1.8	1	3.2	3	2.5	-	-
Saskatchewan	2	1.9	2	3.5	-	-	1	0.7
Alberta	-	-	-	-	1	3.0	-	-
British Columbia	-	-	3	4.6	15	26.5	2	1.6
Territories	-	-	-	-	-	-	-	-
Multiprovince	-	-	-	-	1	1.0	-	-
Federal	4	5.2	4	16.1	1	0.7	3	10.0

Table 4

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, by year and Quarter

	Non-COLA Agreements				COLA Agreements				All Agreements			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Primary Industries												
2000	1	40.0	0.5	2.0	3	36.0	4.9	1.8	4	36.4	5.5	1.8
2001	4	40.9	3.3	3.1	2	45.5	3.1	2.1	6	43.1	6.4	2.6
2002	1	48.0	0.6	1.5	2	36.0	1.7	1.8	3	39.2	2.4	1.7
2002 I	-	-	-	-	-	-	-	-	-	-	-	-
II	1	48.0	0.6	1.5	-	-	-	-	1	48.0	0.6	1.5
III	-	-	-	-	2	36.0	1.7	1.8	2	36.0	1.7	1.8
IV	-	-	-	-	-	-	-	-	-	-	-	-
Utilities												
2000	14	24.5	25.1	3.5	-	-	-	-	14	24.5	25.1	3.5
2001	10	26.4	12.5	2.6	4	47.0	9.8	2.3	14	35.5	22.3	2.5
2002	13	30.9	17.9	2.3	2	36.0	1.3	3.0	15	31.3	19.1	2.3
2002 I	3	19.1	6.1	3.3	-	-	-	-	3	19.1	6.1	3.3
II	5	40.1	6.4	0.7	-	-	-	-	5	40.1	6.4	0.7
III	3	34.2	4.1	2.9	-	-	-	-	3	34.2	4.1	2.9
IV	2	30.5	1.3	3.6	2	36.0	1.3	3.0	4	33.2	2.6	3.3
Construction												
2000	7	25.2	8.9	3.6	1	48.0	0.5	2.7	8	26.4	9.4	3.6
2001	62	34.8	191.6	3.2	3	60.0	2.5	3.5	65	35.1	194.1	3.2
2002	12	47.4	23.7	1.2	-	-	-	-	12	47.4	23.7	1.2
2002 I	-	-	-	-	-	-	-	-	-	-	-	-
II	-	-	-	-	-	-	-	-	-	-	-	-
III	12	47.4	23.7	1.2	-	-	-	-	12	47.4	23.7	1.2
IV	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing												
2000	36	33.5	47.4	2.2	17	35.8	21.7	3.6	53	34.2	69.0	2.7
2001	23	46.4	18.7	2.3	27	36.2	26.3	2.7	50	40.4	44.9	2.5
2002	25	40.8	32.2	2.9	19	36.9	54.6	3.7	44	38.3	86.8	3.4
2002 I	7	36.9	10.2	2.7	-	-	-	-	7	36.9	10.2	2.7
II	8	40.6	14.6	3.1	4	36.0	2.8	2.7	12	39.9	17.4	3.0
III	5	49.6	4.3	2.6	9	37.6	25.2	3.6	14	39.4	29.5	3.5
IV	5	42.1	3.2	2.8	6	36.3	26.6	4.0	11	37.0	29.7	3.9
Wholesale and Retail Trade												
2000	12	53.8	33.0	1.9	2	71.4	10.6	1.0	14	58.1	43.6	1.7
2001	6	48.5	4.8	1.6	-	-	-	-	6	48.5	4.8	1.6
2002	17	40.7	39.2	2.0	1	36.0	5.2	1.4	18	40.1	44.4	1.9
2002 I	4	37.0	9.9	1.6	1	36.0	5.2	1.4	5	36.6	15.1	1.6
II	7	34.5	13.8	2.1	-	-	-	-	7	34.5	13.8	2.1
III	5	49.6	14.3	2.2	-	-	-	-	5	49.6	14.3	2.2
IV	1	36.0	1.2	1.8	-	-	-	-	1	36.0	1.2	1.8
Transportation												
2000	14	39.0	41.1	2.7	5	34.3	53.6	2.2	19	36.3	94.7	2.4
2001	24	34.2	32.1	2.8	3	46.8	4.9	3.3	27	35.8	37.0	2.9
2002	10	40.0	26.2	2.7	2	37.7	3.5	2.9	12	39.7	29.7	2.7
2002 I	3	38.8	4.5	2.0	2	37.7	3.5	2.9	5	38.3	8.0	2.4
II	3	36.0	10.8	2.7	-	-	-	-	3	36.0	10.8	2.7
III	1	36.0	1.1	5.4	-	-	-	-	1	36.0	1.1	5.4
IV	3	45.3	9.8	2.7	-	-	-	-	3	45.3	9.8	2.7

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment (%)

Table 4 (continued)

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, by year and Quarter

	Non-COLA Agreements				COLA Agreements				All Agreements			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Information and Culture												
2000	8	39.4	10.3	2.9	-	-	-	-	8	39.4	10.3	2.9
2001	6	34.5	8.9	3.2	1	60.0	1.1	2.9	7	37.4	10.1	3.2
2002	8	34.5	22.3	3.1	1	36.0	0.9	1.7	9	34.6	23.2	3.0
2002 I	1	36.0	1.0	3.0	-	-	-	-	1	36.0	1.0	3.0
II	3	35.7	14.2	3.1	1	36.0	0.9	1.7	4	35.7	15.1	3.1
III	4	31.9	7.1	3.0	-	-	-	-	4	31.9	7.1	3.0
IV	-	-	-	-	-	-	-	-	-	-	-	-
Finance, Real Estate and Management Services												
2000	7	35.4	12.0	1.7	1	36.0	1.1	2.8	8	35.4	13.1	1.8
2001	12	37.1	14.6	2.2	-	-	-	-	12	37.1	14.6	2.2
2002	8	55.2	12.6	2.1	-	-	-	-	8	55.2	12.6	2.1
2002 I	2	43.6	1.1	3.4	-	-	-	-	2	43.6	1.1	3.4
II	1	24.0	0.8	0.0	-	-	-	-	1	24.0	0.8	0.0
III	2	59.0	8.7	1.9	-	-	-	-	2	59.0	8.7	1.9
IV	3	57.3	1.9	3.2	-	-	-	-	3	57.3	1.9	3.2
Education, Health and Social Services												
2000	201	38.2	503.6	2.6	1	36.0	0.9	4.7	202	38.2	504.5	2.6
2001	164	28.7	301.8	3.5	5	36.8	101.3	2.8	169	30.7	403.1	3.3
2002	174	23.0	503.2	3.0	2	36.0	1.9	3.9	176	23.1	505.1	3.0
2002 I	31	34.4	119.2	3.1	-	-	-	-	31	34.4	119.2	3.1
II	79	16.1	270.6	2.8	1	36.0	0.9	2.2	80	16.2	271.5	2.8
III	25	29.3	56.7	3.4	1	36.0	1.0	5.4	26	29.4	57.7	3.4
IV	39	25.8	56.7	3.2	-	-	-	-	39	25.8	56.7	3.2
Entertainment and Hospitality												
2000	6	46.2	7.7	3.0	-	-	-	-	6	46.2	7.7	3.0
2001	4	36.0	6.4	4.0	-	-	-	-	4	36.0	6.4	4.0
2002	9	44.9	8.7	2.5	1	36.0	0.6	2.4	10	44.3	9.3	2.5
2002 I	-	-	-	-	1	36.0	0.6	2.4	1	36.0	0.6	2.4
II	1	48.0	3.5	1.7	-	-	-	-	1	48.0	3.5	1.7
III	7	41.8	4.3	3.3	-	-	-	-	7	41.8	4.3	3.3
IV	1	48.0	0.9	1.7	-	-	-	-	1	48.0	0.9	1.7
Public Administration												
2000	69	25.9	293.2	2.3	1	36.0	5.3	2.4	70	26.1	298.5	2.3
2001	56	32.5	204.0	3.1	6	36.0	36.5	2.7	62	33.1	240.6	3.0
2002	50	30.1	226.5	2.6	2	36.0	2.2	2.6	52	30.1	228.7	2.6
2002 I	7	36.2	44.8	2.8	2	36.0	2.2	2.6	9	36.2	47.0	2.8
II	15	25.5	113.0	2.4	-	-	-	-	15	25.5	113.0	2.4
III	15	32.5	34.6	2.7	-	-	-	-	15	32.5	34.6	2.7
IV	13	34.5	34.1	2.9	-	-	-	-	13	34.5	34.1	2.9

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment (%)

Table 5

Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered, by year and Quarter

	2000	2001	2002	2002			
				1	2	3	4
All Industries							
Wage Adjustment (%)	2.5	3.1	2.8	2.9	2.6	2.8	3.2
Number of Agreements	406	422	360	64	130	91	75
Number of Employees (000's)	1,081.3	984.1	985.3	208.2	453.5	186.7	136.9
Private Sector							
Wage Adjustment (%)	2.4	3.0	2.6	2.2	2.5	2.4	3.3
Number of Agreements	103	164	104	19	25	43	17
Number of Employees (000's)	163.3	293.8	209.9	33.9	47.5	83.1	45.4
Public Sector							
Wage Adjustment (%)	2.5	3.2	2.9	3.0	2.7	3.1	3.2
Number of Agreements	303	258	256	45	105	48	58
Number of Employees (000's)	918.0	690.3	775.4	174.3	406.0	103.6	91.6
Federal Administration							
Wage Adjustment (%)	2.1	3.0	2.9	2.9	3.9	2.8	3.4
Number of Agreements	18	17	11	3	2	4	2
Number of Employees (000's)	154.8	131.5	54.8	33.5	1.3	16.9	3.1
Federal Crown Corporations							
Wage Adjustment (%)	2.2	3.7	2.8	2.9	2.1	3.0	-
Number of Agreements	3	7	6	2	2	2	-
Number of Employees (000's)	46.6	9.1	8.9	3.5	1.9	3.6	-
Provincial Administration							
Wage Adjustment (%)	2.6	3.2	2.3	2.6	2.4	1.9	2.4
Number of Agreements	37	26	23	3	13	4	3
Number of Employees (000's)	114.4	86.2	135.0	9.9	113.0	8.4	3.8
Local Administration							
Wage Adjustment (%)	2.5	2.6	3.0	3.0	2.8	3.4	3.0
Number of Agreements	33	28	29	4	6	8	11
Number of Employees (000's)	69.2	38.3	60.8	4.5	16.9	10.4	29.0
Education, Health and Social Services							
Wage Adjustment (%)	2.6	3.3	3.0	3.1	2.8	3.4	3.3
Number of Agreements	200	167	176	31	80	27	38
Number of Employees (000's)	501.9	400.5	504.1	119.2	271.5	60.2	53.2
Public Utilities							
Wage Adjustment (%)	3.6	2.7	3.0	3.1	2.2	2.9	3.3
Number of Agreements	12	13	11	2	2	3	4
Number of Employees (000's)	31.0	24.7	11.8	3.7	1.4	4.1	2.6

Table 6

Selected Economic Indicators by Year and Quarter

	2000	2001	2002	2002 1	2002 2	2002 3	2002 4
Wage Settlements (%)	2.5	3.1	2.8	2.9	2.6	2.8	3.2
Public Sector (%)	2.5	3.2	2.9	3.0	2.7	3.1	3.2
Private Sector (%)	2.4	3.0	2.6	2.2	2.5	2.4	3.3
Agreements in Force	2.3	2.8	2.8	2.9	3.0	2.8	2.6
Public Sector (%)	2.2	2.9	2.9	3.1	3.0	2.8	2.7
Private Sector (%)	2.4	2.6	2.7	2.6	2.8	2.7	2.5
Consumer Price Index							
Per Cent Change[1]	2.7	2.6	2.2	1.5	1.3	2.3	3.8
GDP[2] at Basic Prices[3]							
Per Cent Change[1]	4.7	1.4	3.1	1.6	3.1	3.6	4.0
Labour Productivity Growth (%)	1.9	0.4	1.1	1.1	1.4	1.5	0.5
Unit Labour Cost (%)	3.7	2.8	1.2	1.0	0.9	0.9	2.0
Unemployment Rate[3]	6.8	7.2	7.7	7.8	7.6	7.6	7.6
Employment (000's)[3]	14,910	15,077	15,412	15,199	15,339	15,470	15,597
Per Cent Change[1]	2.6	1.1	2.2	1.1	1.8	2.7	3.4
Average Weekly Earnings[3]	$ 653.50	$ 665.09	$ 677.84	$ 672.98	$ 675.72	$ 678.70	$ 684.02
Per Cent Change[1]	2.3	1.8	1.9	1.8	2.1	1.7	2.0
Average Hourly Earnings	$ 16.50	$ 16.79	$ 17.11	$ 17.10	$ 17.14	$ 17.10	$ 17.09
Per Cent Change[1]	2.8	1.6	1.9	3.0	2.7	0.9	0.2

[1] Per cent change from the same period of the previous year

[2] GDP - Gross domestic product at basic prices (1997)

[3] Seasonally adjusted data

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated **cost-of-living allowance (COLA)** payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an **inflation projection of 2.0 per cent** has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities."

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two

is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the federal government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and territorial governments

(a) provincial and territorial government administration;
(b) health, education and social services agencies or institutions:
  (i) public hospitals,
  (ii) provincial residential care facilities,
  (iii) universities,
  (iv) colleges, vocational and trade institutions,
  (v) social services business enterprise,
  (vi) provincial elementary and secondary schools.

(3) Local Government Administration

(a) local government organizations such as: municipalities, boards, commissions;
(b) school boards;
(c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

(a) a government holds more than 50 per cent of its voting equity, directly;
(b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

(a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
  (i) the holding is the largest block of voting equity; and
  (ii) the holding exceeds 33.3 per cent of the voting equity; and
  (iii) the block is larger than the combined percentage of the next two largest blocks;
(b) the commercial enterprise declares that it is effectively controlled by a government;
(c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

Selected Provisions in Collective Agreements

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Interest Arbitration and Arbitration Rights in Canada

Introduction

Arbitration—the final phase in the grievance settlement procedure and, at times, a last resort in the collective bargaining process—can often provide an effective solution to an impasse. This article sheds some light, using examples, on the different types of arbitration related to interest and rights disputes.

Definition of Arbitration

Arbitration is defined as a way of settling labour disputes involving the intervention of a third party, neutral and distinct from the two contracting parties (Hébert 1992). Different from mediation and conciliation, which are processes aiming to reconcile the parties, arbitration ends with a quasi-judicial ruling made by an arbitrator or an arbitration board.

Types of Arbitration

Arbitration can be used to settle two types of conflicts: *interest disputes*, which occur during the bargaining or renewal of a collective agreement, and *rights disputes*, which are relative to the application and interpretation of a collective agreement in effect.

Main Types of Conflicts

	Dispute	Grievance	Disagreement
Objective	Bargaining (for the entire unit)	Agreement (applying to one or several employees)	No reference point
Time	During the bargaining process	During the life of the collective agreement	During the life of the collective agreement
Nature	Interest dispute	Rights dispute	Interest dispute

Source: Hébert, G., *1992. Traité de négociation collective*. Éditions Gaétan Morin.

Interest Arbitration

Interest arbitration is used to resolve disputes that occur during the bargaining process. In such cases, the employer and the union present, before an arbitrator or arbitration board, the elements causing a divergence in their respective interests. Both parties try to establish the standards that will govern their interactions for the duration of the next collective agreement (Hébert et al. 2003).

Three types of interest arbitration are integral to the Canadian labour landscape: voluntary arbitration, compulsory arbitration and the settlement of first agreements.

Voluntary Arbitration

When two parties jointly and voluntarily request the appointment of an arbitrator in order to resolve a dispute, that arbitrator makes the final decision regarding the dispute. The arbitrator may or may not take the parties' arguments into account. The final decision is equal to a signed collective agreement between the parties. As such, it can be modified by common accord as if it were a collective agreement (Hébert 1992). In cases where an arbitrator's decision is not respected by one of the two parties, the other party can take legal action.

(*Labour Relations Code*, Alberta)

Voluntary Interest Arbitration Agreement re Voluntary Arbitration Board
93(1) *The parties to a dispute may agree in writing to refer the matters in dispute to a one-member or 3-member voluntary arbitration board, whose decision will be binding.*

(2)The parties shall notify the Minister of an agreement under subsection (1).
1988 cL-1.2 s91

Voluntary Arbitration Board
94 *If the parties who have entered into an agreement under section 93 do not appoint a one-member or 3-member voluntary arbitration board, either party may notify the Minister, who shall serve notice on the parties to the dispute directing them to appoint a voluntary arbitration board in accordance with Division 20.*
1988 cL-1.2 s93

Powers of Voluntary Arbitration Board
95 (1) *If a voluntary arbitration board is unable to effect a settlement within 20 days after a statement of the dispute is sent to the member of a one-member board or the chair of a 3-member board or any longer period that may be agreed on between the parties or fixed by the Minister, the voluntary arbitration board shall make an award dealing with all matters in dispute.*
(2) *The award of a voluntary arbitration board is binding on the parties to the dispute and shall be included in the terms of a collective agreement.*
1988 cL-1.2 s93

Compulsory Arbitration

For certain professional groups who provide essential services, such as municipal police officers or firefighters, the right to strike is prohibited in order to ensure the ongoing safety of citizens. Because this right is prohibited, legislation may specify compulsory and binding arbitration when the parties fail to reach an agreement.

(*Labour Relations Code*, Alberta)

Compulsory Interest Arbitration Application and Prohibition Against Strike and Lockout
96 (1) *This Division applies to the following:*
(a) firefighters and, to the extent that they bargain collectively with firefighters, municipalities and Metis settlements;
(b) employers who operate approved hospitals as defined in the Hospitals Act, and all the employees of those employers.
(2) *No employees, trade union, employer or employers' organization to which this Division applies shall strike, lock out, cause a strike or lockout or threaten to cause a strike or lockout.*
(3) *This Division applies notwithstanding any other provision of this Act.*
1988 cL-1.2 s94; 1988 c22 s16

Settlement of First Agreements

This practice consists in imposing an arbitration process when two parties are negotiating their first collective agreement and the Minister of Labour is convinced that it will be impossible for the parties to reach an agreement. At the federal level and in six provinces (Newfoundland and Labrador, Quebec, Ontario, Manitoba, Saskatchewan, British Columbia),[1] the Minister of Labour can, upon request by one of the parties, refer the dispute to a labour relations board or, in the case of Quebec, an administrative body of the Labour Department, who will, after obtaining the point of view of the parties, determine the terms and conditions of the first collective agreement binding the parties. Therefore, the arbitration process ends with the terms of the first agreement determined by the appointed authorities. However, with mutual consent both parties can, at any time, modify the provisions of the collective agreement.

Generally, a small percentage of first collective agreements require arbitration. For example, between 1979 and 2001 in Quebec, approximately 11 per cent of first collective agreements were settled by arbitration (Marotte and Paré 2002).

(*Canadian Labour Code*)

Settlement of First Agreement
Minister May Refer Dispute to Board
80. (1) *Where an employer or a bargaining agent is required, by notice given under section 48, to commence collective bargaining for the purpose of entering into the first collective agreement between the parties with respect to the bargaining unit for which the bargaining agent has been certified and the requirements of paragraphs 89(1)(a) to (d) have otherwise been met, the Minister may, if the Minister considers it necessary or advisable, at any time thereafter direct the Board to inquire into the dispute and, if the Board considers it advisable, to settle the terms and conditions of the first collective agreement between the parties.*

Board May Settle Terms and Conditions
(2) *The Board shall proceed as directed by the Minister under subsection (1) and, if the Board settles the terms and conditions of a first collective agreement referred to in that subsection, those terms and conditions shall constitute the collective agreement between the parties and shall be binding on them and on the employees in the bargaining unit, except to the extent that such terms and conditions are subsequently amended by the parties by agreement in writing.*

Matters the Board May Consider
(3) *In settling the terms and conditions of a first collective agreement under this section,*

[1] Prince Edward Island will join this group as soon as the legislative provisions of the 1994 acts come into effect.

the Board shall give the parties an opportunity to present evidence and make representations and the Board may take into account
a) the extent to which the parties have, or have not, bargained in good faith in an attempt to enter into the first collective agreement between them;
b) the terms and conditions of employment, if any, negotiated through collective bargaining for employees performing the same or similar functions in the same or similar circumstances as the employees in the bargaining unit; and
c) such other matters as the Board considers will assist it in arriving at terms and conditions that are fair and reasonable in the circumstances.

Duration of Agreement
(4) *Where the terms and conditions of a first collective agreement are settled by the Board under this section, the agreement is effective for a period of two years after the date on which the Board settles the terms and conditions of the collective agreement.*
R.S., 1985, c. L-2, s. 80; 1998, c. 26, s. 34

Rights Arbitration

Rights arbitration is used when a grievance concerning a clause in the collective agreement in effect has not been settled during the internal grievance settlement procedure. Rights arbitration is divided into two distinct categories: regular arbitration and expedited arbitration.

Regular Arbitration

Regular arbitration consists in presenting the dispute before an impartial third party according to generally observed or recognized regulations and procedures (Bernatchez 2002). The arbitrator or the arbitration board makes a ruling regarding the issue raised by the parties.

(Canadian Media Guild and Canadian Broadcasting Corporation, Administrative Branch, 0397007—1999-04-06 to 2001-12-21)

Regular Arbitration
If a matter is not resolved through the grievance process and the matter is submitted to regular arbitration, the following process shall be followed:

.

The parties shall jointly select an arbitrator within fifteen (15) days of the national grievance meeting. If the parties are unable to agree on an Arbitrator, the parties shall request the Minister of Labour to appoint an Arbitrator.

A joint statement or separate statements by the Corporation and the Union, describing the facts of the grievance and the issues to be decided by the Arbitrator shall be submitted to the Arbitrator within ten (10) days of his or her acknowledgement to hear the grievance. A hearing shall be held at a time and place to be determined by the Arbitrator, so that the parties may have an opportunity to present further evidence and to make necessary representations. The Arbitrator shall give written reasons for his or her decision within three (3) months of the completion of the hearing, which shall be final and binding on all parties.

In arriving at a decision, the Arbitrator shall be limited to the consideration of the issue as outlined in the statement or statements referred to previously and shall render a decision according to the terms and provisions of this Agreement, after having held a hearing at a time and place to be determined by the Arbitrator so the parties have an opportunity to present further evidence and to make necessary representations. The Arbitrator shall not in any way amend, modify, extend or change any of the provisions of this Agreement.

Expedited Arbitration

This form of arbitration is often accompanied by a mediation procedure. The disagreement is presented to one arbitrator who will give an appropriate decision following brief hearings and under short deadlines in each phase of the procedure. The parties therefore agree to use a grievance settlement procedure not subject to judicial review, and in which the deadlines are shortened and the costs reduced.

(Treasury Board of Canada and Union of Canadian Correctional Officers, 0932105—2001-04-02 to 2002-05-31)

Expedited Adjudication

The parties agree that any adjudicable grievance may be referred to the following expedited adjudication process:

a) At the request of either party, a grievance that has been referred to adjudication may be dealt with through Expedited Adjudication with the consent of both parties.

b) When the parties agree that a particular grievance will proceed through Expedited Adjudication, the Bargaining Agent will submit to the PSSRB the consent form signed by the grievor or the Bargaining Agent.

c) The parties may proceed with or without an Agreed Statement of Facts. When the parties arrive at an Agreed Statement of Facts it will be submitted to the PSSRB or to the Adjudicator at the hearing.

d) No witnesses will testify.

e) The Adjudicator will be appointed by the PSSRB from among its members who have had at least three years experience as a member of the Board.

f) Each Expedited Adjudication session will take place in Ottawa, unless the parties and the PSSRB otherwise agree. The cases will be scheduled jointly by the parties and the PSSRB, and will appear on the PSSRB schedule.

g) The Adjudicator will make an oral determination at the hearing, which will be recorded and initialled by the representatives of the parties. This will be confirmed in a written determination to be issued by the Adjudicator within five days of the hearing. The parties may, at the request of the Adjudicator, vary the above conditions in a particular case.

h) The Adjudicator's determination will be final and binding on all the parties, but will not constitute a precedent. The parties agree not to refer the determination to the Federal Court

(Canada Post Corporation and Association of Postal Officials of Canada, 0405908—2001-04-01 to 2005-03-31)

Expedited Arbitration

16.9 As an alternative to the formal arbitration process set out in the foregoing paragraphs, a grievance may be referred to a previously agreed-upon person who shall hear the grievance and who shall at the conclusion of the hearing, give a decision immediately. Such decisions may not be used to alter, modify or amend any part of this Agreement, and are made without precedent or prejudice to similar or like cases. Such a decision shall be final and binding upon both parties and no further action may be taken on that grievance by any means whatsoever.

There are currently 207 collective agreements in Canada that contain an expedited arbitration clause, covering 900,960 employees. Among these 207 agreements, 57.5 per cent are in the public sector (737,080 employees) and 42.5 per cent are in the private sector (163,880 employees).

Approximately 70 per cent of these agreements can be found in three sectors: 35.8 percent (433,540 employees) are in the education, health and social

services industries: 19.3 per cent are in manufacturing industries and 13.0 per cent can be found in the transportation industry.

It should be noted, however, that it is possible for two contracting parties to use expedited arbitration without any mention of the term or procedure occurring in their collective agreement. In certain administrations, the *labour code* provides for the optional use of this procedure. For example, the *British Columbia labour code* contains a provision on expedited arbitration, as well as a service to guide the parties in this procedure. This situation could explain in part the fact that the largest proportion of ongoing collective agreements (27.1 per cent) containing an expedited arbitration clause can be found in this province.

The provinces of Ontario and Quebec are next with 23.7 per cent and 19.3 per cent, respectively, of the 207 Canadian agreements containing an expedited arbitration clause. In Quebec, the parties can call upon the services of an expedited arbitration board for a quicker settlement of certain grievances.

Role of the Arbitrator or Arbitration Board

The role of the arbitrator or arbitration board essentially consists in making a ruling on the issue presented by the two parties by delivering a binding arbitration award.

(L'Union des artistes and ARTV Inc., 1289301—2002-02-28 to 2003-03-01)

9.2.5 In the performance of his or her duties, the arbitrator can:
a) interpret an act or a regulation insofar as is necessary to do so to render a decision regarding a grievance;
b) maintain or reject a grievance entirely or in part and set the compensation deemed equitable for the loss incurred;
c) set the amount owed under a sentence rendered;
d) order the payment of interest at a rate set by the regulation adopted under article 28 of An Act respecting the ministère du Revenu (R.S.Q., s. M-31), starting at the time when the grievance is filed;
e) make any ruling useful to maintaining the rights of the parties [Translation].

In every province except Quebec, disputing parties have recourse to a three-member arbitration board. In 1983, Quebec removed this option from the *Quebec Labour Code*. Before then, each party appointed a representative to the arbitration board and then these "partial" members chose a third member who acted as president (Hébert 1992). Since 1983, the *Quebec Labour Code* makes it mandatory to present disputes to a single arbitrator. However, the arbitration board is still a de facto option because the arbitrator chosen to render a decision regarding a dispute must do so with the assistance of two assessors who take part in the debate, even if they do not take part in the final decision.

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(0397007) Canadian Media Guild and Canadian Broadcasting Corporation (Administrative Branch)

(0405908) Canada Post Corporation and Association of Postal Officials of Canada

(0932105) Treasury Board and Union of Canadian Correctional Officers

(1289301) L'Union des artistes and ARTV Inc.

* These collective agreements are available in their unabridged form in *Negotech*, a searchable labour relations database, accessible at: **http://hrdc.gc.ca/labour/nego/.**

WORK STOPPAGES

Workplace Information Directorate
Labour Program, Human Resources Development Canada

Fourth Quarter of 2002 (500 or More Workers)

There were 13 work stoppages involving 500 and more workers during the fourth quarter of 2002 in Canada. Three major work stoppages accounted for 74 per cent of the person-days not worked. The strike involving Vidéotron Ltd. and the Canadian Public Employees Union engaged 136,400 person-days not worked for which represents 51 per cent. In Quebec, the work stoppage of 500 employees of La Fonderie Horne Noranda represented 32,500 person-days not worked and accounted approximately 12 per cent of the total of person-days not worked in the last quarter. Finally, British Columbia Terminal Elevator Operator's Association Ltd. and the British Columbia Government and Service Employees' Union involving 500 employees accounted for 26 000 person-days not worked. Those two strikes represented 22 per cent of the total of the person-days not worked.

Table 1

Major Work Stoppages by Jurisdiction
Fourth Quarter 2002

Jurisdiction	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland and Labrador	1	930	8,630
Prince Edward Island	-	-	-
Nova Scotia	-	-	-
New Brunswick	1	957	2,870
Quebec	4	2,750	50,110
Ontario	1	800	8,800
Manitoba	1	1,200	7,710
Saskatchewan	1	600	7,290
Alberta	-	-	-
British Columbia	-	-	-
Territories	-	-	-
Multiprovince	-	-	-
Total Provinces	**9**	**7,237**	**85,410**
Canada Labour Code-Part I	4	5,800	179,420
Federal Administration	-	-	-
Federal Total	4	5,800	179,420
Total	**13**	**13,037**	**264,830**

Source: Workplace Information Directorate

Table 2

Major Work Stoppages by Industry
Fourth Quarter 2002

Industries	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	-	-	-
Utilities	-	-	-
Construction	-	-	-
Manufacturing	1	500	32,500
Wholesale and Retail Trade	1	850	11,900
Transportation	2	2,700	35,820
Information and Culture	2	3,400	144,110
Finance, Real Estate and Management Services	1	900	7,200
Education, Health and Social Services	3	2,330	24,720
Entertainment and Hospitality	1	600	5,140
Public Administration	2	1,757	3,440
Various Industries	-	-	-
Total	**13**	**13,037**	**264,830**

Source: Workplace Information Directorate

Third Quarter of 2002 (One or More Workers)

Table 3

All Work Stoppages by Jurisdiction
Third Quarter 2002

	Cumulative to September 30, 2002		
Jurisdiction	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland and Labrador	1	13	20
Prince Edward Island	1	5	474
Nova Scotia	7	1,433	17,615
New Brunswick	5	1,092	29,220
Quebec	81	19,964	382,870
Ontario	86	62,636	1,406,630
Manitoba	5	2,029	11,554
Saskatchewan	6	3,122	25,469
Alberta	3	21,008	211,040
British Columbia	17	37,240	68,075
Territories	-	-	-
Multiprovince	-	-	-
Total Provinces	**212**	**148,542**	**2,152,967**
Canada Labour Code-Part I	19	5,756	409,980
Federal Administration	-	-	-
Federal Total	19	5,756	409,980
Total	**231**	**154,298**	**2,562,947**

Source: Workplace Information Directorate

Table 4

All Work Stoppages by Industry
Third Quarter 2002

	Cumulative to September 30, 2002		
Industries	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	3	587	58,200
Utilities	2	73	2,330
Construction	5	269	7,680
Manufacturing	70	18,632	411,795
Wholesale and Retail Trade	30	8,342	98,055
Transportation	20	2,005	61,320
Information and Culture	12	5,367	314,960
Finance, Real Estate and Management Services	10	1,793	68,350
Education, Health and Social Services	26	61,068	316,326
Entertainment and Hospitality	36	3,356	26,301
Public Administration	17	52,806	1,197,630
Various Industries	-	-	-
Total	**231**	**154,298**	**2,562,947**

Source: Workplace Information Directorate

A weekly listing of major work stoppages in Canada and a full chronological perspective are available on the Workplace Information Directorate Web site at:

http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng

Table 5

All Work Stoppages—A Chronological Perspective

Period	Number Beginning Month or Year	In Existence During Year or Month*			% of Estimated Working Time
		Total Number	Workers Involved	Person-days Not Worked	
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,070	0.05
1996	297	330	281,438	3,351,240	0.11
1997	229	284	257,664	3,610,210	0.12
1998	341	381	244,402	2,443,870	0.08
1999	358	413	158,415	2,442,580	0.08
2000	321	379	143,456	1,656,790	0.05
2001	324	380	220,446	2,203,785	0.07
2001					
September	16	62	23,055	110,790	0.04
October	25	66	7,746	81,000	0.03
November	15	59	12,280	74,890	0.03
December	22	60	8,901	99,970	0.04
2002					
January	20	63	44,048	124,670	0.05
February	15	56	25,214	256,020	0.09
March	14	56	38,666	440,046	0.16
April	19	55	45,067	770,424	0.28
May	29	78	46,150	244,564	0.09
June	17	67	14,088	142,024	0.05
July	35	82	30,510	259,351	0.09
August	20	62	11,650	158,091	0.05
September	19	66	14,290	167,757	0.06

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

TECHNICAL NOTES

Data on work stoppages collected by the Workplace Information Directorate of the Labour Program of Human Resources Development Canada covers strikes and lockouts which amount to 10 or more person-days lost.

A strike is a concerted work stoppage by a group of employees which is done in order to bring about a change in an employer's position, and it occurs during the negotiating process. A legal strike is one that respects all the conditions mandated by law, most notably that the strike is taking place during negotiations. A lockout occurs when work is suspended by the employer or a group of employers in order to pressure employees to change their position, and a lockout must also occur during the negotiating process.

Developments leading to work stoppages are sometimes too complex to make it practicable to distinguish between strikes on the one hand and lockouts on the other.

The major characteristics of work stoppages on which information is gathered are:

Employer—Firm or firms employing the workers reported on strike or locked out.

Location—Location of the plant or premises at which the work stoppage occurred.

Industry—Industry of employer according to the North American Industry Classification System (1997).

Union—The workers' organization(s) directly involved or concerned in the dispute that led to work stoppage.

Workers Involved—The total number, or approximate total number, of workers reported on strike or locked out, whether or not they all belonged to the union. Where the number of workers involved varied in the course of the stoppage, the maximum number is used in tabulating annual or other totals. (Where a stoppage commenced in a previous year, the maximum number during the whole stoppage is the number used). Monthly totals are similarly based on the highest figures but allowance is made for changes reported in stoppages extending over two or more months. The total number of workers shown may include the same workers more than once if they are involved in more than one work stoppage during the year (or other reference period). Workers indirectly affected, such as those laid off as a result of a work stoppage, are not included in the data on workers involved.

Starting Date—The day on which the work stoppage began.

Termination Date—The termination date is the day on which work was resumed. Some work stoppages are never formally settled, and this presents statistical difficulties. In such a case, the stoppage is usually considered terminated for statistical purposes, at the date by which it was established that two-thirds or more of the workers involved had either returned to work, or had found work with other employers; or the date by which it was reported that the operations affected by the work stoppage would not be resumed.

Duration – The duration of each stoppage is calculated in terms of working days, including the starting date and all subsequent normal working days up to the termination date. The days counted as working days are those on which the establishment involved would normally be in operation (five days per week).

Duration in Person-Days—Duration in working days multiplied by the number of workers involved. For work stoppages involving establishments in which

the number of weekly working days (see Duration above) exceeds the work week of individual employees, the duration in person-days is adjusted by the appropriate ratio. The data on duration of work stoppages in person-days are provided to facilitate comparisons of work stoppages in terms of a common denominator; they are not intended as a measure of the loss of production time to the economy. The expression "Time loss" is occasionally used instead of "duration in person-days." The term most commonly used is person-days not worked due to the duration in person-days of all work stoppages in a year is also shown as a percentage of estimated working time based on estimates of the number of non-agricultural paid workers in Canada obtained from the Labour Force Survey of Statistics Canada.

Jurisdiction—Statistics on work stoppages are also classified according to jurisdiction. This is done on the basis of the government and those businesses covered by Part 1 of the *Canadian Labour Code* whose industrial relations statistics are applicable to the establishment involved in the dispute. (The tabulation of statistics on work stoppages by jurisdiction corresponds to a tabulation by province, except where the Federal jurisdiction is involved.)

The data reflect all work stoppages that have come to the notice of Workplace Information Directorate, and meet the criteria defined above, e.g. minimum person-days. The methods used to secure this information are believed to be adequate to preclude the possibility of major omissions.

Source: Human Resources Development Canada, *Workplace Gazette*, Workplace Information Directorate.

Workplace Information

Information sur les milieux de travail

Innovative Workplace Practices

Bruce Aldridge
Workplace Information Directorate
Labour Program, Human Resources Development Canada

This overview of workplace innovations is based on a review of 72 collective agreement settlements negotiated during the fourth quarter of 2002. Of these, slightly over one-half, 40 settlements, contained provisions considered to be innovative or of particular interest.

Duration

Of 72 settlements reviewed during the quarter, almost one-half (37 collective agreements) had a duration of 36 months. Five collective agreements had terms of 12 months, while 14 had durations ranging from 24 to 28 months. A further seven settlements had a duration of between 42 and 48 months. The remaining nine had durations of over 50 months. Of these nine agreements, NorskeCanada Limited, various locations in British Columbia, and Communications, Energy and Paperworkers Union of Canada settled seven 60-month renewal agreements at different locations in British Columbia. Another 60-month agreement was settled between Cardinal River Coals Ltd. in Luscar, Alberta, and United Mine Workers of America in Luscar, Alberta.

Compensation

NorskeCanada Limited, various locations in British Columbia, and Communications, Energy and Paperworkers Union of Canada have introduced a **newsprint price trigger bonus**. The employer will provide to the local unions an amount of $500 for each employee per calendar quarter that the RISI Westcoast Benchmark newsprint price per metric tonne averages over $600 US for that quarter. The bonus will be used to establish a fund to finance pension bridge benefits for employees aged 60 to age 61. The first $4.1 million will be used for this purpose and any proceeds beyond this amount will be distributed to the local unions who will then determine how these additional funds will be utilized.

A **nickel price bonus** between INCO Limited in Thompson, Manitoba, and United Steelworkers of America states that for any quarter in which the company has net earnings and if the average realized price of nickel is $2.25 US per pound, each employee will receive a lump-sum payment equal to 10¢ per hour worked in that quarter. The multiplier used for calculations will be increased by 1¢ for each 1¢ the nickel price exceeds $2.25 US.

The agreement between Universal Compression Inc., Calgary, Alberta, and International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers has a **performance based incentive program** which provides employees a minimum of 2.0 per cent of earnings if quarterly financial and safety performance measurements are achieved.

Hydro One Inc., province-wide, Ontario and Society of Energy Professionals have a **performance bonus** based on corporate and line of business results with a minimum performance payout of 1.0 per cent of base payroll and a maximum of 4.0 per cent.

NorthwesTel Inc., territory-wide, Yukon, Northwest Territories and Nunavut, and Northern British Columbia, and International Brotherhood of Electrical Workers have negotiated a **team incentive bonus**. The unpensionable bonus is

based on 50 per cent of profits and 50 per cent on service indicators including how quickly customers are served and answer time. There is a guaranteed 1.5 per cent in the first year and a possible 1.5 per cent in each of the second and third years of the contract.

A **market analysis survey** of all trade classifications has been introduced between University of Alberta, Edmonton, Alberta, and University of Alberta Non-Academic Staff Association. Once the market survey has been finalized, discussions will continue as to the appropriate market supplements to be applied to identified under-compensated positions. Nova Scotia Association of Health Organizations, province-wide, and CAW-Canada have also negotiated a **market-based adjustment** provision. Where the employer determines that, due to labour market shortages, or a recruitment and/or retention problem exists with respect to a bargaining unit classification or classifications, the employer will provide the union with information and proposed wage supplements and time periods. The union will then have the opportunity to make representations and provide additional information. After this consultation, the employer may implement a special market-based adjustment for the affected classifications; pro-rated for regular part-time, temporary and job-sharing employees. These adjustments will be reviewed annually for possible increases. The Saskatchewan Association of Health Organizations, province-wide and Health Sciences Association of Saskatchewan have implemented a provincial **market supplement program**. The program will address specific pay-related skill shortages through the use of market supplements to attract and/or retain qualified employees. A supplement will be implemented only when it is necessary to enhance the ability of employers to retain and/or recruit employees with the required skills to deliver appropriate health services.

Wage adjustments in the form of **parity clauses** have been negotiated for the last two years of the ambulance technician's contract with the Government of Quebec, province-wide, and Fédération de la santé et des services sociaux. The adjustments will be identical to those negotiated within the framework for the health and social services sector of the province.

A **deferred salary** leave has been negotiated with the Canadian Broadcasting Corporation, English Services Division, Canada-wide and Communication Workers of America. Employees can self-finance their own study leave, sabbaticals or any other type of leave by deferring a portion of wages for at least two years and not more than five. The deferred wages will then be paid during the leave period extending between 6 and 12 consecutive months.

Working Conditions

"Reserved Jobs" positions for **permanently disabled employees** have been negotiated between INCO Limited in Thompson, Manitoba and United Steelworkers of America. Certain positions will be identified and forwarded to the joint rehabilitation committee. Employees working in these classifications identified as reserved will not be removed; however, when the job becomes vacant, permanently disabled employees will have the opportunity to move into the job. These employees will be placed in accordance with seniority and their regular job will be protected as a temporary vacancy.

The Canadian Broadcasting Corporation, English Services Division, Canada-wide and Communications Workers of America have introduced **telework** whereby an employee can work at home subject to the conditions that the employer provides the equipment and services the employee needs; employee must have sufficient work space at home; and the employer must pay the employee a monthly allowance to offset the expenses related to the employee's working at home.

The University of Guelph in Guelph, Ontario and Canadian Union of Public Employees have initiated a **temporary reduction workload** provision. Providing that operational requirements are met, a regular full-time employee may be granted a temporary reduction in both workload and compensation to a maximum of 50 per cent. The employee would continue cost-sharing benefits and maintain status within the bargaining unit. Upon completion of the reduced period, the employee would return to a position the same as or equivalent to that which preceded the period. A **reduced workload leading to retirement** has been introduced by the University of Alberta, Edmonton, Alberta and University of Alberta Non-Academic Staff Association. This program would allow an employee to either work for 1/2 time for two years before retirement, work 2/3 time for three years, or work 3/4 time for four years. During the period chosen, the employee would receive a reduced salary; however, pension contributions and benefits would continue as if the employee was working in a full-time position.

Job Security

In the case of **plant closure**, St. Mary's Cement Company, St. Mary's, Ontario and United Steelworkers of America have introduced a severance pay whereby affected employees receive 5.0 per cent of monthly earnings multiplied by the number of years of service. McGregor Hosiery Mills, Toronto, Ontario and CAW-Canada have also negotiated a provision in the event of closure which states that the employer will pay 50 per cent of the cost of an adjustment committee to assist employees during a maximum of 12 weeks with resumes, job applications and opportunities. St. Mary's Cement Company also has a **lay off security plan** which provides employees additional funds in the form of a savings plan. The employee could receive a maximum of $200 per week in the event of lay off. The employer will contribute $1,000 per year to each employee's account.

A **transitional support program** concerning redundant positions has been established between the Nova Scotia Association of Health Organizations, province-wide, and CAW-Canada. Where the number of redundant positions exceeds the number of vacancies, the employer will invite the same number of voluntary severances as excess redundant positions. Voluntary severances candidates will receive four weeks pay per year of service for a minimum of four weeks to a maximum of 52 weeks plus a transition allowance of up to $2,500 to relocate to employment beyond 50 kilometres or to use as retraining. An employee receiving a layoff notice may also choose this voluntary severance option.

The Canadian Pacific Hotels Corporation, Empress Hotel, Victoria, British Columbia, and CAW-Canada have established a specification to **eliminate all part-time status** and classify all bargaining unit members as full-time employees.

Training

The University of Alberta, in Edmonton, Alberta and University of Alberta Non-Academic Staff Association have negotiated a human resource development program which allows employees to **access learning opportunities**. The employees may improve their performance in their current positions, develop future job-related skills, or access non-credit University of Alberta courses that will enhance employee wellness. A fund of $400,000 annually will be allocated for this purpose.

Paid training leave related to the **understanding and application of the collective agreement** has been initiated by the Canadian Broadcasting Corporation, English Services Division and Communication Workers of America. The training will cover topics such as the functioning of joint committees, conflict resolution, grievance settlement and arbitration.

Sécur inc., province-wide, Quebec and Canadian Union of Public Employees have negotiated a provision whereby the employer will pay up to $250

for **English language courses** for the five most senior employees applying to the position of Quebec City dispatcher.

Labour-Management Committees

During this fourth quarter, 16 of the 40 agreements with innovative practices contained provisions for establishing committees dealing with a wide variety of concerns.

A joint committee with the Regional Health Authorities of Manitoba, province-wide, and Canadian Union of Public Employees has established a **general wage standardization fund**. In order to rectify identified salary inequities, amounts have been allocated as follows: May 1, 2003, $2,590,000; May 1, 2004 and 2005, $1,230,000; and May 1, 2006 and 2007, $1,800,000. Effective May 1, 2003, there will be a minimum standardization increase to all hourly rates of 0.6 per cent. Further standardization adjustments will be effective at mutually agreed dates as decided by the joint wage standardization committee.

An **employment opportunity** committee has been established between NorskeCanada Limited, various locations, British Columbia and Communications, Energy and Paperworkers Union of Canada. Recognizing that the stable employment in the pulp and paper industry is based on economically viable operations, a high level of labour productivity and quality production, the parties will examine ways to enhance employment opportunities through new work arrangements, including reduced overtime and working time alternatives.

A number of other committees were included in agreements to discuss such items as pension plan, occupational health and safety, health and welfare benefits, job evaluation and workplace issues such as ergonomics and career development.

Innovative Workplace Practices

Previously published articles and case studies from past issues of the Workplace Gazette, are available on the Workplace Information Directorate Web site at

http://labour.hrdc-drhc.gc.ca/.

Managing by Work Teams at Aluminerie Lauralco inc.

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École Des Hautes Études commerciales

Established in Deschambault, Quebec, since 1992, Aluminerie Lauralco inc. is a subsidiary of Alcoa, an American multinational. With over 550 permanent, non-unionized employees, this plant produces T-ingots sold to various industries mainly located in the United States. Lauralco faces strong competitive pressures. To stand out from other aluminum plants, the company uses its human resources as a competitive advantage. To remain a leader in its field, the Lauralco team pursues its mission to "use its resources in the best way possible to produce quality aluminum, safely, at the best cost, on time, while being a part of the community and constantly satisfying its customers." Seven principles form the basis of its management culture:

- maintaining high standards for health, safety and environmental protection;
- adhering to social policies, from all standpoints;
- maintaining good relations through open communications and team building;
- creating an organization where each person's role and expertise are important;
- encouraging ongoing training to promote accountability;
- aiming for excellence through process control and the reduction of variations;
- seeking constant improvement in every function in order to better meet customer expectations.

These principles are based on the eight values advocated by Lauralco: accountability; teamwork; initiative and autonomy; communication; creativity and ingenuity; quality and effectiveness; flexibility and adaptability; as well as a sense of belonging.

Aluminerie Lauralco inc. was the recipient of an IRIS award from the Ordre des conseillers en ressources humaines et en relations industrielles agréés [Order of certified human resource and industrial relations professionals] of Quebec in 2000 for the quality of its organizational changes.

Managing by Work Teams

Aluminerie Lauralco inc. advocates and supports employee accountability via several different human resource management processes:

- An employee *selection process* consistent with organizational values. Selected candidates must be accountable and must be able to effectively operate as part of a team, take initiatives (autonomy) and adapt to different situations (flexibility). Moreover, candidates must commit to other values such as quality, effectiveness, creativity (ingenuity) and open communications, since they influence the success of the organization.

— *The authors wish to thank all employees who participated in this study. Filed with the Centre de cas de l'École des Hautes Études commerciales, Montréal, Quebec.*

- *Direct communication* with employees supported by an open-door policy and weekly and monthly meetings.
- *Accounting for employee viewpoints* through various means such as direct access, dispute resolution processes, opinion polls, recognition of performance, team logs, etc.
- *Employee development* geared toward continuing professional training aimed at meeting both employee and organizational needs.
- *Employee participation* through development committees where employees from all levels and divisions of the company work together to determine how to achieve their objectives.

The company has only three hierarchical levels: (1) versatile work teams, (2) section leaders, and (3) the management team. The work teams are at the core of the organization of work. Each member of a work team, consisting of a section leader and approximately 15 operators, takes on a management responsibility for a 15- to 24-month mandate. The team members' roles and responsibilities are varied and include daily work organization, managing overtime, health and safety prevention, training, performance appraisal, vacation scheduling, budgeting and remuneration (see list in the right column). In summary, Lauralco relies on multitasking to promote employee accountability. Thus, each team member is able to perform every task associated with his or her department. Employees are also encouraged to switch to a different sector after a certain period of time in order to add some variety to their work.

Work committees and problem-solving teams are regularly formed to respond to specific or pressing concerns. In addition, interdepartmental committees deal with issues pertaining to the whole plant such as health and safety management, quality, the environment and wage scales.

Roles and Responsibilities of Team Members at Aluminerie Lauralco inc.

- budget
- committee
- communication
- environment
- graphics—PLUS Security Committee
- hours
- maintenance
- meetings
- payroll
- performance appraisal
- practices
- procurement
- production
- quality
- security
- training
- vacation

Employees thus spend an average of 20 per cent of their time on activities other than aluminium production per se.

In summary, decisions at Lauralco are made collectively by the employees, and committees constitute the main element in a decision-making process which is decentralized. Employees can express their needs and requests at any time through the committees and make recommendations to management. Although the teams have no decision-making power over the production objectives, team members may influence the manner in which those objectives are achieved as well as the organization and division of labour. Moreover, each work team is responsible for establishing a plan of action to achieve the team's objectives and to ensure follow-up. Work teams can also set goals that are not related to production such as rates of injury, absenteeism, overtime, etc. In short, the teams are granted a great deal of autonomy and section leaders act as coordinators or coaches.

Information Management

The role of management is to support and facilitate, as pointed out by the plant manager: "My role consists of collecting as much information as I can from within the plant. It's mainly about communication and support, and being a good communicator begins with being a good listener." Every month, the plant manager organizes five different meetings with the work teams so that every employee has a chance to attend, regardless of scheduling. During the meeting, employees are informed of strategies and results, as well as any changes, and are encouraged to express their opinions. Management favours direct communication with employees based on an open-door policy. Each member of the organization has permanent, direct access to a member of the management team. There is also a communications officer in the human resources department whose mandate is to coordinate the exchange of information, both horizontal and vertical, between all levels in the organization.

Every two years, Lauralco conducts an opinion poll to gauge employee satisfaction and solicit opinions on different aspects of the work environment.

Several other measures facilitate the two-way sharing of information. First, official and unofficial meetings are used quite liberally. At every change of shift, the teams going off duty spend 10 minutes informing those coming on duty of any production problems. Each team also keeps a log that allows other teams to keep track of what has been done during earlier shifts. Each team holds an official weekly meeting to discuss its various mandates and responsibilities as well as to make decisions regarding the organization of work. The teams also attend a monthly meeting with section leaders and the director of their sector to address particular issues such as workplace health and safety, production quality and professional development opportunities.

Management favours direct communication with employees based on an open-door policy.

In addition to meetings, memoranda are regularly sent to employees, a company newsletter is published six times a year, and bulletin boards are posted in all sectors. There is also an intranet site where employees will find a variety of information on the company, including a reminder of the annual objectives, employment benefits and follow-up information on various projects. Self-serve computers are available at various locations in the plant to enable employees to use the intranet and access their electronic mail.

Every two years, Lauralco conducts an opinion poll to gauge employee satisfaction and solicit opinions on different aspects of the work environment. The results are sent to employees, who are then required to participate in the development of action plans aimed at correcting problem areas or implementing improvements suggested during the poll.

Employees may also express their dissatisfaction or dissenting opinion through a dispute resolution process, which operates in one of two ways depending on the nature of the problem. On the one hand, when a dispute arises between members of a work team, they can decide among themselves which procedures to follow in order to settle the dispute internally. When an agreement is not reached, the section leader hears the grievances and intervenes based on arbitration guidelines set out in the plant management policy, which has been implemented in cooperation with all employees.

On the other hand, when the issue is related to a failure to comply to the corporate policy or a disagreement between an employee and the management, the plaintiff submits a written complaint to the section leader who must reply in writing within 24 hours. If the worker is not satisfied with the response, he or she may then submit the complaint to the sector director who is also required to respond in writing. Finally, in the event that this reply should also fall short, the employee has the option of bringing the complaint to either the plant manager or the dispute resolution committee (consisting of three employees and two directors) who will take a final decision.

Finally, a direct access form enables employees to draw up requests and communicate officially their opinions, suggestions, questions or any other information. The completed form is sent to human resources department professionals who forward it to the person or persons concerned, be it the plant manager, section leader or other persons or committees. An employee may fill out a direct access form in strict confidentiality and with full anonymity. Those who have identified themselves must receive a response or feedback within four weeks.

Management Activity in the Human Resources Department

Staffing Management

Lauralco is unusual in that all employees were hired at the same time when the company was first founded. In fact, since the early 1990s, few employees have left the company and few have come on board. Consequently, the recruiting and personnel selection process described below is the one which was used at the plant start-up. In all, the company has received more than 18,000 applications and met over 5,000 applicants before staffing the positions available at the Deschambault production plan.

At the opening of the plant, a selection process was immediately implemented to fill all positions with individuals who shared Lauralco's values. The nine steps of this selection process were aimed at identifying, primarily through interviews and psychometric tests, those candidates more inclined to work in teams and show individual initiative and autonomy. Showing interest in varied tasks, ease of communication, and a desire to participate in an ongoing quality improvement process were of equal importance when considering candidates.

More than 96 per cent of the workforce who was hired had no experience in aluminium smelting. A shared set of corporate values had prevalence over technical skills, particularly since the company intended to train all its employees so that they would be qualified to operate the latest equipment. As it turns out, it was easier for the management to give technical training to employees than to try to instil values they did not have initially.

Since the plant's opening in 1992, internal recruitment has always been encouraged. Vacancies are always posted internally before being advertised externally. Lauralco has also introduced an orientation program aimed at informing employees about the company's history, mission, strategy, values, policies, objectives and results. During their orientation, new employees are also acquainted with the role played by the company's human resource professionals as well as with the company expectations in terms of staff turnover, occupational health and safety, and

The nine steps of this selection process were aimed at identifying those candidates more inclined to work in teams and show individual initiative and autonomy.

so on. Finally, they are made aware of the function and responsibilities of some key individuals in the plant who can address specific needs.

Each new operator (as any new employee) is presented with a skills development plan. This plan sets out, for each of the first three six-month periods, the expected outcomes for any new operator in a given sector. Technical and management skill development standards are described in detail for each period. The plan also describes the objectives progression according to their nature: they deal with the "how", then the "why" of the task to finally focusing on the ongoing improvement. At the end of each period, a feedback interview is conducted where the employee and the section leader discuss whether development objectives have successfully been met or not. The plan also sets out clearly the employee's evolution and reflects his or her progression.

Management firmly believes that "banking on human capital means offering each employee the possibility of growing within the company while continuously learning and improving."

Training Management

After their orientation, employees are given a technical training based on the specifications of their new employment, and are paired with a colleague, generally for a period of two months. If the employee still feels uncomfortable in his or her tasks at the end of the period, the mentorship is extended. Moreover, when an employee is switched to another sector, he or she is "resocialized," i.e. he or she will receive a technical training and will be paired with another employee working in the new sector during a certain period of time.

Following the initial orientation period, continuing training has increased in importance at the plant, not only to meet current training needs in a timely fashion, but also the organization's future needs. Essentially, the work teams identify, in cooperation with section leaders, their own training needs. Human resource professionals get involved only to assist them in the process and find the most suitable training provider. So training will be geared to providing work teams with additional means of improving their effectiveness, the quality of their operations, and the versatility of their members. Since employees are required to assume numerous responsibilities within their respective work teams or on various committees, the company must ensure they have the necessary skills. For example, courses are offered on teamwork, note taking, communication, public speaking, the conduct of meetings, time management, committee processes, technical upgrading, occupational health and safety, dispute resolution techniques, and statistical process control aimed at improving the quality of manufactured products.

In summary, training at Lauralco amounts to a form of respect for employees. Management firmly believes that "banking on human capital means offering each employee the possibility of growing within the company while continuously learning and improving." In 1999, the company invested fully 2.7 per cent of its total payroll in training, allowing for more than 60 hours of training per employee. In order to accommodate training during working hours while maintaining production, the company operates with an employee complement which is 15 per cent above the needed workforce to maintain full-capacity production.

Performance Appraisal

In keeping with its corporate values, Lauralco defines a productive employee as "someone continuously looking to improve, who cooperates with team-mates, shows creativity, initiative and autonomy, all the while respecting occupational

health and safety as well as environmental standards with due regard to production quality."

Since the plant's opening, there have been four successive performance appraisal systems, from a system based on organizational values to one based on behaviour ratings. Lauralco is now focusing on designing an approach based on skills so that it can conduct more comprehensive assessments and determine the key skills employees should be developing through their work.

Each time the performance management system has been revised, the same developmental steps have been taken. First, a committee comprising members of management, human resource professionals, employees and external consultants is set up. This committee then reviews the current system in order to identify its strengths and weaknesses. Members of each team are consulted and their opinions recorded, and a thorough analysis of the performance appraisal form is conducted. Then the committee sets the objectives to be met and the consequent modifications to be made to the existing system. Afterwards, the committee introduces the new performance management system to the workforce in order to validate it. Once the new system is implemented, an evaluation is done on a regular basis for potential adjustments in a context of continuous improvement.

Employee performance appraisals are normally conducted once a year, on the employee's anniversary date of service. Lauralco's values mandate this performance management exercise, which is based on communication, a sense of responsibility and teamwork. Performance appraisal is ultimately "an appraisal for improvement. It is primarily a communication tool. It facilitates exchanges, feed-back, and improvement." Expectations are spelled out for each operator within four aspects of performance: occupational health and safety, environment, performance of work, and supervisory activities (if required). Three main groups of stakeholders are involved in the operator's performance appraisal: the party being appraised, his or her peers, and his or her immediate supervisor.

Performance appraisal is ultimately "an appraisal for improvement. It is primarily a communication tool. It facilitates exchanges, feed-back, and improvement."

The party being appraised is an active participant in his or her own performance appraisal. Before meeting the section leader, the operator is invited to appraise himself on a form designed for this purpose. He or she is required to illustrate and substantiate the self-appraisal with facts and specific events.

A member of the subject's work team is asked to act as moderator. To date, more than 200 employees have been trained to assume this role. The moderator collects peer performance appraisals from at least two members of the subject's work team, who are required to participate in the process. The moderator invites each of these individuals to fill out a performance appraisal form, encouraging them to substantiate their appraisals with facts while avoiding any personal judgments. The moderator is required to destroy the forms filled out by the peers, once a summary of the comments has been prepared; only this summary will be presented to the subject during the performance appraisal interview.

The section leader is also required to fill out the appraisal form. The space reserved for the setting of development objectives and the means of achieving them is left blank. With the employee's consent, this plan of action is developed during the appraisal interview.

Section leaders and moderators attend a three- or four-hour training session where they learn how to conduct a quality assessment as well as how to set and follow up on objectives.

Performance Recognition

Consistent with its mission, principles and values, the plant emphasizes team rather than individual rewards. It does not wish to feed a climate of competition, which could conceivably override the spirit of cooperation between workers. Thus, the company does not award any individual bonuses, not even at the management level. In fact, the only way performance is recognized is through the ongoing improvement program.

Consistent with its mission, principles and values, the plant emphasizes team rather than individual rewards.

This program is the primary tool that the management of Alcoa group used for setting the Lauralco plant's annual objectives. Based on the strategic plan, annual priorities are set and presented to all plant employees during a meeting dedicated to the program. Plant sectors and work teams develop their own objectives, and annual business plans. They are then accountable for the outcomes, regardless of individual contribution. At the end of the year, the performance indicators are aggregated by the person in charge of the program in order to ascertain the status of each objective within the plant as a whole. The performance indicators are posted on bulletin boards in every sector and are used to assess progress against the set objectives.

When the organizational objective is reached, an ongoing improvement bonus is granted to Lauralco employees. The amount is the same for every employee, regardless of position. This monetary recognition of employee efforts is thus dependent on the performance or productivity of the organization as a whole and makes no allowances for differences in productivity between work teams or sectors. Often the premium comes from savings directly secured through the attainment of objectives.

Lauralco also uses various forms of non-monetary recognition. For example, management offers a choice of a watch, a pen and pencil set, or an office clock to employees who accumulate five years of service; it invites several employees, in rotation, to management events held off-site; it has, in the past, served a gourmet brunch to employees; it puts together several Christmas receptions so that all employees can attend one of them, regardless of their work schedule; it also offers training in favoured locales off company premises. Management furthermore allocates annual funds to all work teams (the amount prorated to the number of team members) to spend as they please, in particular to organize various social activities.

Payroll and Benefits Management

At Alumminerie Lauralco inc., employee wage scale progression is not directly linked to individual performance. Rather, employees progress step-by-step as they diversify their duties, expand their responsibilities, and increase their technical versatility. This wage progression is clearly defined and indicated to employees as soon as they begin working for the company.

Besides offering the highest salaries of the industry in Quebec, the company provides excellent benefits.

The first four salary steps are each of six months' duration and are geared to acquiring technical and administrative skills. Subsequently, a raise is given at the 24- and 36-month marks. These increases are partly based on a performance appraisal. The employee consequently reaches the top of the scale after three years. In rare instances, an employee who truly does not possess the skills required to move on to the next step at the end of the six-month or one-year period may find this raise held back. However,

an employee who has mastered the required skills in a way that even exceeds the next step's requirements may be promoted to a higher one. Moreover, on top of their regular progression within the wage scale, employees also receive, on an annual basis, an increase calculated as a percentage of their salary. In 1999, for instance, the wage scale was raised three per cent.

Besides offering the highest salaries of the industry in Quebec, the company provides excellent benefits. Among other things, employees have access to the services of a nutritionist, a cafeteria, and a gym with a trainer.

Occupational Health and Safety Management

Employee health and safety is of utmost importance to Aluminerie Lauralco inc. This priority receives strong support from Alcoa, the parent corporation, which advocates adopting the highest standards in this respect. According to Alcoa's President: *Even one accident is one accident too many. We can, however, feel pride in the commitment of our team to ensuring continued efforts to further our ambitious objectives with regard to health. The ultimate goal is to eliminate* ALL *accidents.*

Lauralco wants to manage health and safety in a proactive manner within a context of employee accountability. Its aim is two-fold: first, to integrate health and safety into daily activities in order to optimize employees' physical and psychological well-being. Second, since the company's structure of semi-autonomous work teams affords a certain level of authority to those actually doing the work, it is to attain organizational objectives in the area of health and safety in a context of accountability.

"Even one accident is one accident too many. We can, however, feel pride in the commitment of our team to ensuring continued efforts to further our ambitious objectives with regard to health. The ultimate goal is to eliminate ALL *accidents."*

Efficiency of Participative Management at Aluminerie Lauralco inc.

The Lauralco aluminum plant has been able to develop a management system and mode of operation unique to the organization. Also, any new management process at Lauralco is first conceived, planned, aligned and integrated within its unique mode of operation and other systems. Thus any new program must seamlessly integrate itself into a work organization mode where decisions are made collectively by employees in work teams, and where human resource professionals act as agents of change and support, as well as business partners within the company.

Moreover, since a philosophy of ongoing improvement pervades the Lauralco plant, change is appropriate. There can be no doubt how employees feel about management's approaches to employee satisfaction and empowerment. In 1998, staff turnover was only 0.35 per cent, while a 1997 poll indicated that fully 89 and 93 per cent of employees respectively were proud of their work and of working for Lauralco. In fact, the quality of life and the labour relations atmosphere within the plant are excellent. The optimization of the perception of justice among Lauralco employees rests in large part on the collective decision-making process valued by the company. Making decisions in committees or at employee meetings takes up nearly 20 per cent of employees' time. While this process is obviously very demanding for employees in terms of time and energy, the organization recoups this time and energy once the decision has been made. This is because any decision based on this level of consensus will be quickly and permanently implemented.

WORK-LIFE COMPENDIUM 2001

150 CANADIAN STATISTICS ON WORK, FAMILY & WELL-BEING

Centre for Families, Work and Well-Being
University of Guelph

Women's Bureau
Labour Program, Human Resources Development Canada

Work-Life Compendium 2001 is a resource document that brings together a wide variety of work-life facts and figures compiled from the most recent Canadian data sources available. Data cover a range of inter-related topics, including changes in the family; child and elder care; labour force participation patterns; income and earnings; industrial, organizational and workplace change; labour legislation; and public opinion.

The Issue

The last quarter of a century has been a time of unprecedented social, economic, and organizational change. Dramatic increases in women's labour force participation, population aging, increases in single-parent families, and the on-going restructuring of the labour force are just some of the factors fuelling employee stress and contributing to growing conflicts between the demands of the job and the demands of home and family. Although change has always been with us, seldom has it come at us from so many directions and at such a pace. Some of the factors that are simultaneously contributing to mounting tensions between work and non-work lives include:

- demographic and social factors, including an aging population, and changes in family roles, structures and relationships—especially in terms of women's increased labour force participation and the resulting need to redistribute the unpaid caring and household work traditionally assumed by women;
- an escalating rate of environmental change for organizations, characterized by globalization, increasing competitive pressures, and the rapid proliferation of computer technologies, telecommunication and e-commerce;
- workplace changes for employees, including downsizing and "contracting-out," and the associated pressures for increasing workloads, developing new skills, and adapting to changing technologies;
- growing skills shortages and challenges recruiting and retaining employees in selected sectors and geographic locations;
- shifts in the employment relationship between workers and their employers and in the relative influence of labour to protect workers' rights and job security;
- government restraint, including pressures to balance budgets and focus on fiscal management priorities;

- restructuring of health and social services that affect the availability of supports and potentially increases the role of family members in providing assistance to each other; and
- financial and job insecurities and wariness about longer term trends.

Against this backdrop of structural transformation, employees' ability to harmonize paid work and home life is being recognized as an essential ingredient to both economic and social well-being. Our life experiences attest to the fact that conflict takes its toll in multiple domains, including not only our personal lives, as evidenced in stress and limited opportunity for community involvement, but also in the workplace in the form of reduced performance, morale and productivity.

The bottom line implications of work-family conflict have caught the attention of employers, many of whom see the business implications of work-family conflict, and are looking for ways to support their employees in order to remain competitive and responsive to their own ever-changing operating environments. There remains much work to be done—by individuals, business, labour, and governments—to facilitate the healthy integration of work and non-work roles. This compendium of statistics is intended to inform this dialogue and to stimulate continued discussion.

Highlights of the Report

The studies presented reveal the following trends:

Work-life conflict is on the rise

- Two recent national-level studies tell the same story: work-life conflict in Canada is growing. These studies indicate that roughly half of Canadian employees are experiencing conflict between their work and personal lives, and this is a marked increase over the level reported in the early 90s.
- Work-life conflict is especially problematic for employees in professional and managerial positions.

Work-life issues affect individuals and families

- Women report higher levels of work-family conflict than do men and spend more time in unpaid child care and domestic work.
- A significant trend over the 90s has been a rising level of work-life conflict among men.
- Nearly half of children aged 1 to 5 are in some form of non-parental care arrangement while their parents work or study, as are almost one quarter of infants under the age of 1 year.
- Child care can be expensive for young families. In 1998, yearly fees for full-time centre-based care for infants and toddlers averaged $6,000, considerably higher than the cost of a year's university tuition.

Work-life issues affect organizations

- Employees with high work-life conflict miss more than twice as many workdays as those with low conflict.
- It is estimated that work-life conflict costs Canadian organizations roughly $2.7 billion in lost time due to work absences—not including indirect costs such as replacement of the employee during the absence, overtime costs, or reduced service or productivity.

Work-life conflict is not limited to parents

- Eldercare is a growing issue as the population ages. In 1999, one quarter of Canadian employees cared for an elderly family member, up from one fifth in 1989.
- Fifteen per cent of Canadian employees care for both children and an older relative.

- Work-life issues extend beyond caregiving. Employees also need time to train, study, or participate in their communities. One in three employed women and men in Canada are involved in job-related adult education or training. One in four adults in their child-rearing years is involved in voluntary activities.

Changes in the nature of work may be contributing to growing work-life tensions and health problems

- Recent changes in the structure of work and work time may be exacerbating work-family stresses. Production pressures and a growing need for round-the-clock services mean longer work hours for some, growth in non-day shifts, and a move toward non-standard work arrangements such as part-time, temporary and contract work. Only roughly half of workers in Canada today fit the "standard" model of a full-time permanent 9 to 5 job.
- Long work hours and high-strain jobs not only hamper employees' ability to harmonize work and family life, but also are associated with health risks, such as increased smoking and alcohol consumption, weight gain and depression.

Most canadian employees do not have access to flexible work arrangements that might help them cope

- Only one in four Canadian employees reports a flextime schedule.
- Only one in ten perform any paid work at home.

There is growing evidence that supportive and flexible workplaces pay off for organizations

- Flextime schedules have been associated with a 15-percentage point reduction in average time lost from work.
- Employees who report good relationships with their employing organizations are less likely to look for a new job and miss less work due to illness (two fewer days per year), as compared to workers who report weak employment relationships.
- Employees with supervisors who are sensitive to their personal needs are more satisfied with their jobs and miss half as many workdays as employees with non-supportive supervisors.

Workplace policy and practice are not always in synch

- Whereas employer surveys suggest that flexible work arrangements are rather prevalent, employee data suggest limited access to workplace practices that might help them cope. For example, a recent large survey of Canadian employers found that 88 per cent of responding organizations offered flextime to their employees. Nationally representative data collected from employees, however, reveal that only 24 per cent actually work a flextime arrangement.
- Flexible work options are sometimes granted only to employees in certain job classifications or who meet other established criteria. It has been demonstrated that workers who job share, telework, or work flextime are more likely than those without flexibility to be professionals, highly educated, and well paid.
- Supervisors often are "gatekeepers" to flexible work arrangements. One Canadian employer survey found that roughly half of organizations leave eligibility for flexible work arrangements to management discretion.
- Managers are key to creating supportive workplaces, but they too are under stress, and often lack the tools and resources they need to bring about change. It has been suggested that only one third of Canadian organizations

provide their managers with work-life training, and less than one quarter offer recognition or reward for promoting work-life integration.

Work-life issues are likely to remain highly visible in the near future

- The desire for a "better balance" is not limited to baby boomers or to parents of young children. Research with students and young graduates in fields associated with labour shortages show that work-life integration is a major consideration in their choice of employers.
- Ninety-five per cent of young women and men in Canada plan to have at least one child.
- Forty-five per cent of surveyed university students want time to travel extensively and an equal proportion want to be active in their communities.

Other Studies

Studies that have specifically addressed attitudes toward work and family integration suggest that Canadians are struggling to adapt to rapidly changing roles and expectations. One such study, *Voices of Canadians: A Seeking Work-life Balance*, is summarized following this article. Whereas most Canadians espouse the notion that both women and men should be able to pursue meaningful careers and contribute to household income, there is a lingering doubt that family may suffer when both parents are employed and no one is home to see to the needs of the family. Surveys of students and other young Canadians reveal similar ambivalence. Most young women and men today value challenging and rewarding paid work, but also indicate that they plan to have families, want time to "smell the roses," and will likely seek an employer who will respect their desire for a balanced life.

For more information and a copy of the complete resource document, visit the

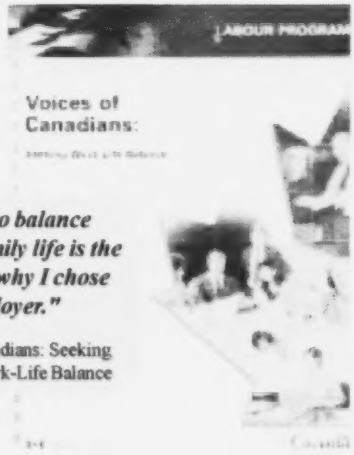
Work-life Balance in Canadian Workplaces

at: http://labour.hrdc-drhc.gc.ca/worklife/work-life-balance-en.cfm.

LISTENING *to the* VOICES of Canadians

by **C.A. Montsion**
Communications, Labour Program
Human Resources Development Canada

The report, *Voices of Canadians: Seeking Work-Life Balance*, explores work-life balance issues and the conflict Canadians face between the demands of work and home. The report shows that employees increasingly see time, or what they perceive as a lack of time, to deal with all the demands in their lives, as a major source of conflict.



"The ability to balance work and family life is the main reason why I chose ... as an employer."

Voices of Canadians: Seeking Work-Life Balance

The report, funded by the Labour Program, was written using comments taken from *The National Study on Balancing Work, Family and Lifestyle* commissioned by Health Canada and conducted by researchers Dr. Linda Duxbury and Dr. Christopher Higgins. The study was designed to examine issues associated with work-life conflict; identify Canadians at risk; and identify why employers, employees, unions and governments should be concerned about this issue. The study also discussed what steps could be taken to help Canadians achieve better work-life balance.

Over 31,000 Canadian workers from the public sector (federal, provincial and municipal governments), private sector and not-for profit organizations (includes health care and educational sectors) took part in the original study. These participants came from workplaces employing 500 or more people and represented 100 organizations. About 10,000 of these survey participants added their individual comments about the relationship between their personal and working lives. The bulk of the comments center around problems at the organization level or how much work is expected and when, where and how this work is performed. These personal testimonials, striking in tone and substance, and what they say about the lives of working Canadians are at the heart of *Voices of Canadians*.

Canadians told the researchers that they want more flexibility or control over the organization of their working lives, but that does not have to mean additional costs to employers who are striving to stay competitive in a global economy. Rather it means looking at new ways of doing things that de-emphasize the importance of "face time" on the job. What really matters is getting the job done. How that job is done can be accomplished through a number of creative approaches.

WHAT CAN EMPLOYERS *do?*

The researchers came to these conclusions:

- Improve people management practices in the organization. Increase the number of supportive managers with good "people skills" and give them the training, tools, time and incentives to put in place management policies and practices that support work-life balance. For example, help and support managers in the implementation of alternative work arrangements like flexible work schedules or telework.
- Provide more flexibility around when and where work is performed. The process for changing hours or location of work should, whenever possible, be flexible. Employers should look at new performance measures that reward output rather than hours or face time on the job. Reward what is done, not where it is done.
- Create a more supportive work environment and start changing the corporate culture. Research, develop and implement the kinds of supportive policies that would work well for employees. Not all policies are feasible. Regularly communicate these policies and encourage their use; employees must be made to feel that their careers will not be jeopardized if they take advantage of these measures. Measure and evaluate the use of these policies in the organization. Reward those sections that demonstrate best practices.
- Limit overtime and give employees the right to refuse overtime work—with the exception of emergencies or other special requirements. Implement time-off arrangements in lieu of overtime pay.
- Provide a limited number of days of paid leave per year for childcare, eldercare or personal problems.
- Make it easier for employees to transfer from full-time to part-time work and vice versa. Introduce pro-rated benefits for part-time work, guarantee a return to full-time status for those who elect to work part-time and allow an employee's seniority ranking and service to be maintained.
- Examine workloads in the organization. If certain employees are spending long hours on the job, find out why, and rectify the situation.

Meeting the needs of workers and balancing work, family and a personal life are important to the health, well-being and economic success of both Canadian workers and the organizations that employ them. Everyone, employers, unions and governments have a role to play in finding solutions to work-life conflict.

Unions can look at the recommendations above and include these ideas and measures in the collective bargaining process. Governments, through research, can help inform the discussion by helping Canadians understand the complexities of these issues and possible solutions that promote positive change.

WORK-LIFE BALANCE IS GOOD FOR THE BOTTOM LINE. LISTEN TO ONE EXAMPLE OF A **WORKPLACE THAT SEEMS TO HAVE IT RIGHT.**

"Our supervisor is great and respects and encourages family life, and in return we are a happier, more productive staff. It's a win-win situation. I have been lucky and my supervisors have been confident and appreciative of my work and trust me and care about my family needs."

CONTRAST THIS WORKPLACE TO THE ONE BELOW.

"There is a real perception that our work is not valued or appreciated by our employer. Constant cutbacks make it almost impossible to do a good job and thus contribute to job-related stress. This is compounded for me by personal, family-related stress to the point where it is affecting my physical and emotional health. Our employer chooses to deny that these negative effects can be changed by management attitudes or decisions."

There are no neat boundaries between our working and personal lives. Organizations that support their employees will find lower levels of stress and staff turnover, better morale, and higher productivity. Of the two examples mentioned, where would you like to work?

Voices of Canadians: Seeking Work-Life Balance and other research reports on work-life balance are available on our Web site at http://labour-travail.hrdc-drhc.gc.ca/worklife/.

Taking Action on the AGING of the Labour Force

Labour-Management Consensus in Quebec

Patrice Jalette
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Daniel Villeneuve
Conseil consultatif du travail et de la main-d'œuvre

The Conseil consultatif du travail et de la main-d'oeuvre [advisory council on labour and employment], a Quebec employer-labour organization, is interested in the issue of the impact of the aging of the labour force on the economy and on the living conditions of workers. Employers and unions have felt the need to work together to determine what realistic actions can be taken to adapt the workplace to the foreseeable consequences of this phenomenon. The joint approach undertaken by the Council has enabled the main employer associations and unions to reach a consensus on the strategy to adopt regarding the aging of the labour force. This strategy is described in a document entitled « Adapter les milieux de travail au vieillissement de la main-d'œuvre : Stratégie du Conseil consultatif du travail et de la main-d'œuvre » [Adapting the Workplace to the Aging of the Workforce : A Strategy of the Advisory Council on Labour and Employment] *researched and written by Patrice Jalette and Daniel Villeneuve. After a short introduction, the following text reproduces, almost in its entirety, this strategy document.*[1]

Created in 1969, the Conseil consultatif du travail et de la main-d'œuvre (the Council) is an advisory, review and policy organization whose mission is to develop and maintain consensus building between employer and union organizations in order to channel and support public policy regarding employment and workforce in Quebec. Included are, in equal numbers, members from the most representative employer associations and unions in Quebec as well as the Deputy Minister for Labour. The employer association members of the Council are the Conseil du patronat du Québec, the Canadian Federation of Independent Business, and Quebec Manufacturers and Exporters. The union members are the Centrale des syndicats démocratiques (congress of democratic unions), the Centrale des syndicats du Québec, the Confederation of National Trade Unions (CSN) and the Quebec Federation of Labour.

In response to the growing concern of its member organizations, the Council undertook a joint review of the aging of the labour force issue. Discussions between employer organizations and unions led to several shared findings and to the proposal of solutions that may enable both parties to better adapt to the reality of aging in the workplace.

[1] *The official position of the Conseil consultatif du travail et de la main-d'oeuvre was submitted for comment to the Minister of Labour and then distributed to workplaces, is available in its entirety (in French only) at www.cctm.gouv.qc.ca/.*

The results of this process are presented below. The first section briefly describes the joint findings of the employer organizations and unions regarding the aging of the labour force. The second section outlines the objectives of the strategy agreed upon by the parties as well as the guiding principles behind the strategy. Finally, the third section presents the tools agreed upon by the employers and unions to promote an adequate adaptation of workplaces to the aging manpower phenomenon.

The Aging Labour Force—An Inevitable Challenge for the Workplace

The demographics of an aging population is a reality that affects all industrialized societies and is explained by the drop in the birth rate and the increase in life expectancy, among other factors (United Nations 2001). Quebec is no exception to this general trend: Quebec society has more and more elderly and is slowly but surely heading towards a decrease in its population (ISQ 2000; Thibault and Gauthier 1999). The aging of the population is not without consequences for the profile of the active population. It will inevitably lead to a decrease in the working-age population in the near future as well as an increase in the proportion of older workers in the workplace. Generally speaking, the aging of the population, associated with other factors such as longer schooling and the abolition of the mandatory retirement age, results in an increasingly older population in the workforce.

The phenomenon of aging in employment does not affect women and men equally.

The pace and intensity of the aging of the workforce will vary according to each sector and organization. In teaching, public service, health care, public administration and transportation, the proportion of manpower over 45 years of age is already high (Schetagne 2001). The phenomenon of aging in employment does not affect women and men equally. Moreover, the significant number of workers who will be retiring over the next few years will not be entirely compensated by the hiring of young people, which will lead to a decline in the active working-age population (Sunter 2001). The downtrend in the age at which people are retiring also contributes to this decline.

The aging of the workforce as well as the decrease in the available labour pool will have effects on the job market and in the workplace. These effects constitute a challenge for the key players in this field. The availability of labour, the transition/succession issues, the transfer of expertise, labour retention and skill development are concrete challenges that need to be addressed in order to adapt the workplace to an aging labour force. All the key players in labour—employers, unions, older workers and other workforce members—must work together to face the challenges related to the aging of the labour force. Employers and unions are increasingly aware of these high-stake issues within the framework of labour relations (Canadian Labour and Business Centre 2001).

Employers and Unions at the Conseil consultatif du travail et de la main-d'œuvre Take Action

At the Council, employers and unions both recognize that the potential impacts of the aging of the labour force must be taken seriously. This is why they have jointly stated that workplace adaptation to the aging of the labour force is now on the agenda and that they are committed to taking concrete action to face

this challenge together. Taking concrete action in each workplace is essential for the proper working of the Quebec economy as well as for the well-being of workers.

Until very recently, the trend was to consider the reality of the aging of the labour force mainly as a problem for individual workers to be solved by retirement mechanisms. Nowadays, it is clear that the aging issue has also a collective dimension. We realize that aging can have an impact on the organization's productivity and on the labour conditions not only of the aging workers, but also of all of the company's workforce. It is therefore imperative to develop effective human resource management planning mechanisms. The challenges have to do with work organization, human resource management, labour relations and training.

The challenges have to do with work organization, human resource management, work relations and training.

The workplace is not powerless when confronted with this reality. On the contrary, it has the capacity and the means to take action, especially when it comes to work organization and management practices. In some ways, the strategy put forward by the Council is only the beginning of the process. The next step needs to bring the debate into the workplace. Employers and unions must encourage this reflection among their own people, and their members must have the opportunity to discuss the issue. This reflection and these discussions will eventually help to clarify the Council's approach. Employer organizations and unions will also share the results of experiments carried out on site in order to find ways to adapt workplaces to an aging labour force. These innovations could be informative and inspire action in other work environments.

Finally, public policy in terms of employment, training and retirement plans can have a significant effect on business management practices as well as on the worker's individual choices. That is why the employers and unions on the Council recommend that public authorities take certain actions in this regard, particularly to facilitate access to phased retirement.

Objectives

The strategy adopted by the Council in order to deal with the challenges brought about by the aging of the labour force pursues three objectives:

Enabling organizations to have access to qualified and experienced labour in sufficient numbers

To ensure access to qualified and experienced labour in sufficient numbers, organizations must be able to count on workers from all generations among their staff, whether they are new hires (more or less young) or the experienced personnel already on the job. The transfer of expertise from experienced labour to new employees must be ensured. Moreover, investments must be made to maintain and develop the skills of the workers, regardless of their generation, as well as to find ways to attract and retain workers.

Improving the situation of the workers in keeping with the context of renewed management of the aging labour force

Taking into account the increase in the numbers of older workers in the workplace and the objective of promoting job retention, workplaces will have to become more "user

friendly" for the aging labour force. Ways must be found to adapt various aspects of the work conditions to make life easier for those getting older in order to avoid making age a disadvantage: work organization, schedules, training, etc. Certain measures primarily designed for older employees may also meet the needs of other workers (e.g. safer work organization or more flexible work hours). If there are some differences between the older and the younger employees in terms of job expectations, their needs remain quite similar: equity, security, quality of life, training, etc.

Offering people the freedom to choose between remaining at work or leaving for retirement

Faced with such an important decision, people should be able to make a real choice. In many cases, workers do not currently have a real choice. Among the factors that influence their decision, there are, for instance, pressures from colleagues in the workplace, retirement plan regulations, ad hoc early retirement programs and a lack of training in the course of employment. The decision to remain at work or to leave for retirement should be taken based on the needs and aspirations of the individual while taking into account the organization's specific context.

Guiding Principles

The employers and the unions on the Council agree on certain principles that should guide action relative to the management of the aging labour force. These principles mostly stem from previously established considerations:

- The aging of the labour force is a process already underway that, instead of being seen as a constraint, must be viewed as an opportunity for workplaces to renew some of their human resource management and work relation practices.
- Considering the current situation in some sectors and the impacts expected over the mid-term, it is necessary that we ask ourselves now how we are going to face the challenges inherent to adapting workplaces to the aging labour force, even if the long-term effects of the aging of the labour force on the job market (shortages, balance, etc.) remain uncertain.
- All the key players in the workplace—employers, unions, aging personnel and other employees—are called upon to deal with the challenges related to the aging of the labour force.
- Because the reality is different in every workplace, it is up to local key players (employers, unions, employees) to discuss and agree on an action plan with measures specific to the adaptation of their workplace to the aging of the labour force.
- Although these measures will be aimed at aging personnel, some are likely to also meet the needs of other workers. These other workers must not be left out in the process of renewing certain human resource and work relation practices, a necessary step designed to adapt workplaces to the aging of the labour force.

Action Plan

The following action plan has been agreed upon between the employers and unions on the Council. The parties considered the elements of this plan to be the most likely to promote the adaptation of workplaces to the aging of the labour force, in keeping with conditions that respect the interests of both the companies and the workers. The parties also agreed that these measures are within the scope of all workplaces which can take immediate action. Finally, the measures are likely to promote the attainment of the aforementioned objectives. Six measures

are proposed pertaining to the following fields: attitudes and behaviours; phased retirement and job retention; training; the transfer of expertise; work time; and work organization (Saba, Guérin and Wils 1997; Walker 1997). The following figure summarizes the action plan adopted by the Council in order for workplaces to face the challenges of the aging labour force.

The Aging of the Labour Force—Challenges for Workplaces and the Strategy of the Conseil consultatif du travail et de la main-d'œuvre

Facts and Trends

Decrease in the birth rate + Increase in life expectancy = Aging of the population → Aging of the labour force

Challenges

For the job market:

- Labour available in sufficient numbers
- Experienced labour (skills) available

Needs of the workers:

- Conditions to stay
- Conditions to leave

Needs of the companies:

- Competitiveness
- Cost control

For workplaces:

- Labour retention
- Retirement planification
- Recruitment
- New employees and transfer of skills
- Skill development
- Attitudes and behaviours regarding the aging labour force

Strategy of the Conseil consultatif du travail et de la main-d'œuvre

Adapting workplaces:

- Changing attitudes and behaviours
- Improving phased retirement and job retention incentives
- Making training available and adapted to the aging workers
- Ensuring the transfer of skills from the aging labour force
- Making work time and the passage from work to retirement more flexible
- Adapting work organization to the aging labour force

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Adapting public policies:

- Promoting and making access easier to phased retirement, specifically by modifying tax and complementary retirement plan legislation
- Adapting labour training programs to the reality of the aging labour force
- Supporting workplaces, specifically regarding human resource management planning

Changing Attitudes and Behaviours

A renewed management of the aging labour force must begin by adapting perceptions and attitudes of:

- work colleagues;
- management and executives;
- union stakeholders;
- retirement plan and government program planners;
- the againg personnel itself.

In order to do this, basic questions must be addressed at all levels in a straightforward manner.

Q's ***I***s there discrimination or segregation based on age in the workplace, as seen in the behaviours or decisions with regard to an aging personnel? ***W***hat is the impact of a dream or an objective such as "Freedom 55" on career and retirement planning? ***W***hat place are we making and what place would we really like to make for the aging labour force in our organizations? ***A***re collective agreements and human resource management practices accommodating the aging labour force? ***C***an laws and government programs promote measures other than early retirement?

The increased presence of the aging labour force will undoubtedly bring about a change in values and behaviours, but active measures will probably be necessary since prejudices towards older people, like all prejudices, are persistent. In order to break down the barriers likely to keep older workers from fully realizing their potential (Walker 1997), specific interventions must be planned, such as establishing anti-discrimination and anti-harassment policies and increasing awareness among management, those in charge of recruitment and staffing as well as younger personnel. Although older workers have always been part of organizations, some policy changes are necessary, similar to those which were implemented in policies on women and visible minorities in order to prevent discrimination.

Improving Incentives for Phased Retirement and Employment Retention

Over the last few years, a heavy trend in human resources planning was aiming at promoting voluntary severance and early retirement. In fact, many of these departures have not been really voluntary, insofar as the workers were facing the risk of loosing significant sums of money if they continued working. The short amount of time granted to take advantage of early retirement incentives can also put pressure on workers when the time comes to make critical choices.

Furthermore, various options, generally financed by the retirement plan, have been introduced to urge workers into early retirement: transitional temporary life annuities, absence of actuarial reduction, the lowering of the retirement age in the plans, etc. These incentive measures are not necessarily bad. On the contrary, they meet the needs of certain individuals today and probably will continue to do so tomorrow. It seems, however, that this orientation towards early retirement is often at the expense of other options such as phased retirement or job retention. At this time, these options are most often not even considered.

Having early retirement as the one and only option may be detrimental to the workplace over time. Among the potential impacts, to name a few, are the loss of experienced and qualified personnel; difficulties in transmitting knowledge and company culture; the harmful effect on companies who want to adopt competitive strategies based on innovation, strategies that generally require stability and employee mobilization; a possible increased workload and loss of motivation for the remaining staff (D'Amours and Lesemann 1991).

To adapt workplaces to the reality of the aging labour force, the Conseil consultatif du travail et de la main-d'oeuvre considers that phased retirement should be promoted. Phased retirement is defined as an option allowing workers to gradually cut back their work time in anticipation of full retirement. This reduction could take the form of a decrease in the daily, monthly or annual work time and can take place over several years. Moreover, phased retirement can include partial or total, measures, immediate or deferred compensation for the incurred loss of income. Phased retirement, according to the members of the Council, has advantages for both employers and workers. The following table summarizes these advantages.

The orientation towards early retirement is often at the expense of other options such as phased retirement or job retention.

Potential Advantages of Phased Retirement[1]

for the employer	for the worker
– Avoids the premature loss of employees due to the popularity of early retirement	– Allows for a harmonious transition between professional life and retirement
– Allows for better labour restructuring, taking into account the aging of its own personnel	– Allows for an adequate income, which would include both the salary from the part-time employment and the total or partial retirement pension acquired under the retirement plan
– Decreases absenteeism	– Prolongs work life by taking into account the constraints caused by aging
– Increases productivity	– Allows for the accumulation of an adequate retirement pension while decreasing time at work
– Ensures knowledge transfer	

[1] Table from the *Rapport du comité technique du Conseil consultatif du travail et de la main-d'œuvre (C.C.T.M.) sur la retraite progressive*, April 24, 1996, p. 10. The information it contains is based on Bellemare et al. 1995. « Vieillissement, emploi préretraite. Les facteurs socio-économiques influant sur la gestion de la main-d'œuvre vieillissante », *Relations industrielles/Industrial Relations*, vol. 50, no. 3, 483–515.

However, phased retirement still remains difficult to apply and is much less advantageous than early retirement, mainly because of tax laws and private pension plan legislation. The Council advocates for more flexible laws, both at the provincial and federal levels, in order to make phased retirement more accessible.

The Council believes that we need to stop thinking in terms of early retirement alone, and that we must develop flexible formulas, such as phased retirement, by immediately modifying the regulations that could impede their use. All the other strategies for adapting to aging will be useless if people are still coerced into leaving. In time, if labour becomes rare, the parties in the workplace will have no other choice but to introduce more flexible measures for the transition from work to retirement.

Finally, the Council believes that we must avoid raising the age of eligibility for retirement in both private and public pension plans. There are ways of retaining the aging labour force at work other than toying with retirement plans.

Making Training Available and Adapted to Aging Personnel

Training for workers more than ever takes on a strategic importance in the context of the aging of the labour force. It is imperative that training be available and adapted to aging personnel. The Council believes that this is one of the most important measures which needs to be implemented in order to facilitate the workplace adaptation to its aging manpower. By training, the Council means activities aimed at maintaining the workers' skills in their current job and developing new skills, as well as the further training involving the acquisition of new skills in order for the worker to work on a different job. Integrating new employees and transferring expertise are also training aspects that take on a greater importance in the context of the aging labour force.

> *It is more economical for society as a whole to invest in training rather than exclude older workers from the job market.*

Without up-to-date skills, aging people who lose their jobs become the long-term unemployed. In this sense, it is more economical for society as a whole to invest in training rather than exclude older workers from the job market. Regular access to training and learning possibilities throughout the worker's professional life is just as benefical to the organization, insofar as the training increases the effectiveness and versatility of workers of all ages.

Training, regardless of its specific objectives (development of new skills, re-training, career reorientation), must be adapted to the learning style and experience of the learner. Older workers can learn as much as younger employees as long as training methods are adapted.

Ensuring the Transfer of Expertise from the Aging Labour Force

Even in the context of an aging labour force, workplaces will continue to recruit younger or less experienced individuals who need to be trained. Before they leave for retirement, it is essential to allow experienced people to transfer their expertise to new employees to avoid disrupting the work flow of the organization. Meeting this challenge

is currently perceived as being more pressing in some sectors, but this might become true on a much larger scale as more and more baby boomers leave for retirement. The transfer of expertise must be allowed to take place without jeopardizing the employment status of older workers. Naturally, another requirement in order to reach this objective is to make sure that the aging workers do not leave the organization before new employees are hired. A sufficient amount of time should also be provided to allow for the transfer of expertise. Transferring expertise from one generation to another within the organization requires time, planification and the implementation of more or less formal transfer activities. Less experienced people must be able to work alongside experienced workers in order to benefit from their know-how. In organizations, this often occurs on a daily basis but more structured opportunities must be created, including, for instance, job sharing between long-time and newly hired employees, the buddy system, supervised internships, matching or mentoring.

The sharing of expertise must be part of individual career development and part of the organization's culture. For experienced workers, the professional challenge and the task enhancement provided by the training of new employees could encourage some of them to remain for a longer period in the workplace. This possibility should not be neglected when selecting methods aimed at improving labour retention.

Transferring expertise from one generation to another within the organization requires time, planification and the implementation of more or less formal transfer activities.

The Council believes that the expertise of the aging labour force must be recognized. Workers, regardless of their professional profile, have a transferable expertise. In a way, skills acquired in the workplace are, in many respects, as important as those acquired in school.

Increasing Flexibility in Work Time and in the Transition from Work to Retirement

Work time flexibility is an effective tool to help the workplace adapting to aging, whether it is for the purpose of retaining labour, extending the worker's professional life or recruitment. Different formulas can be applied where the organizational context allows it: reduction in daily, weekly or annual work hours, part-time work, teleworking, job sharing, right to refuse overtime, access to additional leave with or without pay, etc.

The Council believes that implementing these measures can promote phased departure, a solution that has advantages for both workers who are not yet ready to leave and companies which are not ready to lose them. Certain forms of work time flexibility complement each other and will reach their true potential with the development of the phased retirement strategy mentioned earlier. Other arrangements that facilitate the transition from work to retirement include self-employment or occasional call-back to work. In order for these strategies to be effective, the Council considers that they must remain an option and must not serve as a pretext to trivialize employment.

Adapting the Organization of Work to the Aging of the Labour Force

The organization of work is another aspect to consider in order for the workplace to adapt to the aging of the labour force. In this field, interventions must promote the implementation of a safer and more user-friendly work environment, a condition likely to encourage older workers to prolong their careers.

The physical demands of the work can be modified by taking into account ergonomic factors, or factors related to health and safety in general, in order to compensate for a reduction in certain physical capabilities. In addition to the physical demands of the job, it is possible to adapt the mental workload as well by adjusting the work pace and schedules. Inconsiderate or incessant increases in workload are not likely to encourage people to remain on the job for any amount of time after they become eligible to their old age pension. It should also be mentioned that inadequate training will inevitably reduce the capacity of older people to meet the physical and mental requirements of their jobs.

Other measures that apply to the organization of work have been previously mentioned in this paper, including work hours, training and the transfer of expertise. With regards to phased retirement, the work reorganization it requires is often seen as an obstacle to its implementation. However, the Council members believe that this obstacle can be surmounted and that solutions exist. For example, experience has shown that the constraints related to work organization are lessened when phased retirement is applied on an annual basis (e.g. six months of work, six months of retirement) rather than on a weekly or daily basis.

In addition to the physical demands of the job, it is possible to adapt the mental workload as well by adjusting the work pace and schedules.

Conclusion

Reflection on the impacts of the aging of the labour force in the workplace has already begun. The employer and union organizations who are members of the Conseil consultatif du travail et de la main-d'oeuvre agree on the importance of the issues at stake and the necessity to prepare for the aging of the labour force, a challenge that is already affecting certain sectors of activity. These employers and unions have taken up the challenge, and together they are committed to addressing it. They also agree on the importance of taking immediate action by determining common approaches and solutions. The debate must now move into the workplace.

For their part, public authorities are also called upon to meeting the challenge of the aging of the labour force. Union and employer organizations represented at the Council want to actively collaborate with them in the implementation of the necessary action plans. In this respect, Council members put a special emphasis on the objective aiming at promoting a better access to phased retirement, which has the potential to yield key advantages for both businesses and workers.

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Anti-Harassment
Workplace Training Program

DEVELOPED BY
UNITED STEELWORKERS OF AMERICA

JP Surette
Communications, Labour Program
Human Resources Development Canada

The United Steelworkers Anti-Harassment Workplace Training Program is part of the union's overall education program and is available to members and front-line managers throughout the country. Over thirty thousand employees have participated in anti-harassment training, which has helped them to understand and address incidents of harassment and discrimination in their respective work environments.

The Program

As part of their program, the United Steelworkers of America identifies potential workplaces as candidates for anti-harassment training and negotiates the terms and conditions of training with the employer. Through various presentations and training sessions, participants are educated about the very real issues of harassment and discrimination. Part of the course involves discussions concerning who is affected by harassment, what the consequences can be, what steps can be taken to deal with harassment and where responsibilitylies. Videos, worksheets, and discussion groups are some of the tools utilized and the program includes conducting a follow-up.

Recent Training Sessions

A mine in northern Canada employs approximately 450 people, which includes a small number of women. Many of the employees have worked at the mine for all of their working lives. A total of 18 two-hour sessions reached all members over a six-day period.

At a steel warehouse company in British Columbia, one anti-harassment training session was presented; subsequently the company requested two more. A follow-up found that the training was very successful at helping workers identify and properly deal with incidents of harassment.

In an isolated community, the diversity of people and jobs led to interesting and educational sessions for all of the participants. The program was very well-received and as a result all town employees took the training. They participated in three-hour sessions, with follow-up sessions that included assistance in handling long-standing complaints.

At an East Coast petroleum refinery employing approximately 500 people, concerns about harassment of people with disabilities led the parties to agree to sponsor the joint anti-harassment training sessions.

Effective Training

Staff, management, and facilitators work alongside program coordinators to raise the awareness of the workplace training program. References from these groups have generated further interest in the program, contributing to its continued success and increasing popularity.

Numerous employers cite the program as an effective way to raise awareness of harassment and provide tools to help address issues of harassment and discrimination. Follow-up also includes opportunities for workers to communicate changes in the 'culture' of the workplace and to voice concerns about existing or continued harassment.

Outreach

The training program incorporates a strong outreach component. One of the most important information sessions is held as part of the Young Worker Awareness Program. In conjunction with the Day of Mourning activities on April 28th, a day when Canadians who have died on the job are remembered, program facilitators visit high schools to present basic health and safety awareness sessions with added information in relation to harassment, discrimination, and violence in the workplace.

Future Plans

The interest and demand for the Anti-Harassment Workplace Training Program is rising across the country. An increasingly popular trend in larger workplaces involves training employees to become skilled anti-harassment facilitators. Along with additional workshop sessions and conference presentations, the union continues to work on the development of a resource kit for local unions to negotiate joint training.

For more information about this anti-harassment project, or about funding possibilities through the Labour-Management Partnerships Program for other joint union-management projects, please contact the Federal Mediation and Conciliation Service at 1-800-563-5677.

Articles and Case Studies!

Previously published articles and case studies from past issues of the Workplace Gazette, are available on the Workplace Information Directorate Web site at http://labour.hrdc-drhc.gc.ca/.

Workplace Safety Groups

Review of North American Results

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This review of the literature showcases the history, workings and main outcomes of North American safety groups. The detailed description of several insurance products highlights the disparity in regulations surrounding the creation and management of these groups. Foreseeable gains and savings brought about through these governmental or private programs are also presented. These partnerships are fraught with informational asymmetries and are thus vulnerable to strategic behaviours. In order to better understand the dynamics, it is essential to clarify insurer-insuree-worker relationships.

Introduction

Competition compels companies to change the way in which they manage their organizations, particularly with regard to health and safety. One of these changes is aimed at reducing occupational health and safety risk management costs. Insurers have set up a new plan to better address this evolution: occupational safety groups. In the United States, these groups first appeared in the 1960s but quickly vanished because of the general dissatisfaction of members whose dividends were reduced or completely erased because of poor performers. At the end of the 1970s, the traditional concept of safety groups was replaced with a new product based on self-underwriting. A revised and improved version of the sixties' model, taking account of corporate world realities, emerged at the end of the 1990s. The most active Canadian provinces in this field were Quebec, Ontario and Alberta. In Quebec, these groups are commonly known as *mutuelles de prévention*, or prevention mutuals. They have existed in the province since October 30, 1997, and represent, as of 2002, more than 20,000 Quebec employers divided into 175 mutuals (Commission de la santé et de la sécurité au travail [CSST] 2000).

Results from the various types of safety groups are difficult to correlate, are rarely dealt with in the literature, and show a great degree of variability in predicting gains. The CSST's experience with safety groups is quite limited, considering the popularity of this health and safety risk management approach within the business community. It is thus necessary to draw a clearer profile of these groups in order to allow small and medium-sized companies from all sectors of the economy to make more enlightened choices regarding improved results forecasting, planned information needs, personnel training management, as well as to decide which audit strategy to adopt.

Safety groups take on a wide variety of legal and institutional forms depending on the insurance and benefits plans of their respective regions. The discussion will thus be split into two distinct parts— Canadian and American safety groups—in order to better distinguish the differences between plans.

Operation and Gains of Safety Group Types

Self-Underwriting Safety Groups

Created at the end of the 1970s, this product represents a collective initiative, on the part of American businesses, to better manage employment injuries. Member premiums, classified by industry, are calculated according to the risk of injury presented by each industry's business activities. A minimum total payroll is required for certain groups. The group assumes, based on pooled resources, responsibility for most risks and injuries faced by its employees. Claims surpassing a certain compensation threshold are liable to the terms of an external insurance policy. Most claims are covered by the group (Beaulieu and Décarie 1997). This employment injury cost management methodology was created in order to accommodate small and medium-sized businesses unable to invest the amounts necessary for overall insurance coverage. This program encourages businesses to become actively involved in the performance of other members of the same group. Dividends paid out to members are calculated according to previous group performance and results. This performance may be calculated based on three to five years' participation in the group (Risk Management Service). Expected gains may represent premium savings of up to 18 per cent, as well as economies of scale reaching as high as 50 per cent of individual assessments (Agarwal and Everett 1997).

Canadian Safety Groups

Disbursements attributable to work-related injuries and illnesses represent enormous costs for insurers, employers and employees. Faced with this reality, provincial governments have developed workplace safety support tools. The Workers Compensation Board, a non-profit insurance and workplace safety agency, has, since 1917, attempted to implement workplace safety programs in cooperation with industry. Its stated goal is to reduce injury and illness risks associated with work by providing health and safety related services and programs. Alberta, Ontario and Quebec are where the most important Canadian safety association networks can be found and are the only provinces to offer safety group programs (WCB 2002).

In Canada, the provincial plans include industrial sector classifications that are used in determining annual assessment rates. Taking into account worker experience in establishing premiums allows for a more equitable distribution of costs for work-related injuries and illnesses between particular businesses. The goal of the premiums and surcharges is to encourage employers who incur large occupational health and safety expenses to improve their performance and to support the efforts of businesses in ensuring a secure workplace.

Nova Scotia
Compensation Plan

Since 1996, worker insurance plan reform has instituted a business classification system that groups firms according to their industry sector. Businesses of the same group are then divided according to their claims history. This last division is based on the stability of claims over the previous five years. Each group is assigned an assessment threshold. Based on their claims history, companies may be assessed a surcharge or reduction of up to 20 per cent (WCB 2002).

New Brunswick
Compensation Plan

Founded in 1995, the Workplace Health, Safety and Compensation Commission of New Brunswick is mandated with creating a safe working environment through the delivery of insurance and health and

safety support services. This plan is aimed at safety, rehabilitation, and the return to work of employees.

The classification of companies is similar to that found in other provinces. However, employers with assessment rates of less than $1,000 cannot use their experience in setting assessment rates. Employers not participating in the program pay a premium set according to the base rate for their respective groups, with no account being taken of their experience. Surcharges for poor performance can reach as high as 80 per cent, while rebates for exceeding expectations may be as high as 40 per cent (WCB 2002).

Manitoba
Compensation Plan

Manitoba is the province with the greatest number of hours lost to workplace injury, with 5.8 time-loss injuries per 100 workers (WCB 2002). The Manitoba compensation plan represents close to 20,000 employers. The compensation system comprises many classifications, according to the type of industry concerned. Each year, industrial classifications are reevaluated and businesses are placed in one of eight risk categories according to their claims history. When apportionment takes place, two types of risk are evaluated: overall worker injury risk for that industry and the individual employer risk. This program provides for reductions or surcharges of as high as 40 per cent. To mitigate the financial vulnerability of businesses following an accident, the increase or decrease is capped at 15 per cent of assessments per year (WCB 2002).

British Columbia
Compensation Plan

This program is offered to businesses of all sizes in many industry classifications. The assessment level is set according to the classification of a company. A percentage is then assigned, according to the size of the company, to determine the actual assessment rate. The minimum for this is 10 per cent. The higher the participation rate of the company (the percentage), the higher the current year individual rates will be. For instance, a company with a participation rate of 90 per cent will have its premium based 90 per cent on the current year, and 10 per cent on previous experience (WCB 2002). This experience is assessed based on the previous three years. Since recent events are a better indicator of the company's present situation, previous years are given different weightings when calculating experience: 50 per cent for the previous year, 33.33 per cent for the second to last year, and 16.66 per cent for the third to last year (WCB 2002).

British Columbia Compensation Plan objectives are as follows:

- develop and implement an occupational health and safety program;
- prioritize first aid and response to injured or ill workers;
- strongly support return to work.

Businesses with lower than average claims are granted rebates, while those that exceed the average are assessed surcharges. Rebates on premiums can range as high as 50 per cent, and surcharges can be as high as 100 per cent of basic premiums. In order to mitigate the impact of surcharges on the viability of a company, the Workers Compensation Board has imposed assessment rate caps. These limits allow for the calculation of a company's experience based on only a fraction of the total for certain claims. One hundred per cent of claims of less than $70,000 is retained for this calculation, while that proportion drops to 50 per cent for claims of between $70,000 and $120,000, and to 10 per cent for those that exceed $120,000 (WCB 2002). Unpaid surcharges are added at the time of group rate increases. The goal of

these claim ceilings is to avoid over-penalizing employers with only one high cost claim against them.

Alberta *Safety Group*

The Alberta compensation program is called Partners in Injuries Reduction. Rebates applicable through this program are based on the company being certified as committed to occupational health and safety. These Certificates of Recognition are issued by one of 17 associations promoting workplace safety (WCB 2002).

In 1999, companies participating in this reward program shared rebates totalling $5.6 million (Wagar 2000). In 2000, 2,496 employers shared nearly $15.8 million, and in 2001, 3,000 employers shared dividends of $24.7 million. That same year, 39 Alberta employers were insured through this reward program. Finally, in 2002, the program covered more than 44 per cent of all Alberta worker insurance (WCB 2002).

A company wishing to join Partners in Injuries Reduction must contact the WCB to obtain certification parameters, which vary according to the size of the company. Organizations participating in the program post injury rates fully 15 per cent lower than other businesses. The Certificate of Recognition must be obtained before any program rebates may be awarded. During the year in which the Certificate is first obtained and maintained, the business is offered a 5 per cent rebate on its premiums. Furthermore, employers who reduce their claims costs in comparison with their previous experience may obtain further reductions of 20 per cent. If the company succeeds in maintaining its level at less than 50 per cent of that of its respective industry classification average for two consecutive years, it is offered rebates exceeding 20 per cent of its insurance premiums. There are no penalties for poor performers. The aim of the WCB is to reduce the rate of workplace injuries by 40 per cent by 2004 (WCB 2002).

Ontario *Safety Groups*

Ontario safety groups are very similar in their workings to those of Quebec. However, two types of groups are identifiable: safety groups and the Safe Communities Incentive Program.

Safety Groups

Much the same as their Quebec counterparts, Ontario groups are organized with the aim of profiting from gains from assessments. To allow businesses to band together, the Workplace Safety and Insurance Board of Ontario (WSIB) imposes certain conditions. First of all, group assessments must reach a minimal rate of $250,000 and count at least 40 companies. Each company must be in good standing with the Board, be a member of the group for at least one full year, and contribute to only one group at a time. Furthermore, a law regulating group members' performance states that at least 25 per cent of employers must post a poor performance with regard to occupational health and safety. The objective of these groups is to reduce the frequency of injuries and accidents. The conditions for creating these groups encourage employers with good performances to mentor those with poorer performances (eLCOSH 2000).

> "Each safety group has a sponsor. Sponsors can be from trade or health and safety associations or an outside consultant. The sponsor's role is to oversee the group and regularly report progress to the Workplace Safety and Insurance Board. The Board will support each safety group by providing it with information, facilitation and links to resources (WSIB 2001)."

The groups must submit to an assessment plan in order to determine their performance level with regard to occupational health and safety. The Board provides group manag-

ers with the information tools necessary to determine goal and evaluate performances of group entities. It will thus offer customized training in order to allow employers to adopt a safety profile, to identify the causes of injury, and will support the development and implementation of occupational health and safety programs (eLCOSH 2000). Furthermore, the group strongly encourages the sharing of best work practices and cooperation in the prevention of accidents. It thus permits an increased financial stability for businesses while reducing claim-related costs.

The program offers two types of gains or cost opportunities. First, companies will continue receiving reimbursements or being assessed surcharges in accordance with their regular experience rating program (the types of programs are the following: NEER, CAD-7 or PRM) based on their individual results. They will then be able to benefit from an additional rebate in accordance with the safety groups program. Second, it is said that adherence to a safety group offers a competitive edge in the area of employer image and reputation and contributes to increased production through employee awareness (WSIB 2001).

Safe Communities Incentive Program

This second type of group offered by the Workplace Safety and Insurance Board of Ontario is aimed primarily at accommodating small groups of businesses paying $90,000 or less in assessments. Participation in this kind of group may be in addition to any other incentive program except the aforementioned safety group plan. In order to be eligible for this program, future members must first register with the Board, complete health and safety awareness training, and be registered in a community with the Safe Communities Incentive Program (WSIB 2001). Members of such a group must appoint a local steering committee and each member's health and safety practice must be assessed. Moreover, the group must develop an activity plan, which must be approved by the Safe Communities Incentive Program of Ontario. As described by the Workplace Safety and Insurance Board of Ontario, the advantages of such associations are as follows:

- access to sponsorship and to health and safety training;
- lower annual compensation costs;
- 75 per cent of savings shared between members;
- elimination of penalties for groups not reaching objectives.

Quebec *Safety Groups*

In 1990, the *Commission de la santé et de la sécurité au travail* (previously known as Quebec's Workmen's Compensation Commission) cancelled its insurance program based on the merit and demerit principles. Since then, it has offered the *régime rétrospectif* [retrospective plan] for large businesses and a customized rate for medium-sized companies. Small companies will henceforth be assessed on a group rate (Beaulieu and Décarie 1997). To understand the differences between these methods for calculating insurance premiums, let us look at how they work.

In 1997, after the enactment of Bill 74 on the use of experience in conjunction with risk in determining an employer's assessment, the *Commission de la santé et de la sécurité au travail* received proposals for the constitution of no less than 122 prevention mutuals. These represented at the time a grand total of 7,664 employers (Héroux 1999) with between 2 and 864 members each (Chauméry 1998).

The regulations pertaining to these mutual associations state only the general objectives. The Commission compels

employers to withhold group assessments over $4,500, i.e. the minimum amount necessary to take advantage of a customized rate. Members of these associations have the authority to select or exclude any employer (Gamache 1997).

The Retrospective Plan—This method for calculating annual premiums was designed for companies paying annual assessments in excess of $400,000 (CSST 1999). It reflects the real costs associated with employment injuries that have occurred in the workplace during the assessment year and takes into account the performance of respective businesses. Contrary to the customized or the per-unit plan, this one does not provide for disbursements related to workplace injuries within the company. The rate fluctuates with annual costs associated with workplace injuries (Chauméry 1998). It should be noted that subsidiaries and parent companies may also request to be collectively assessed under the régime rétrospectif even if, discretely, they are not subject to it (Medial 1999).

The Customized Plan—This rate, adjusted to the number of units of an employer's area of activity, takes into account this employer's health and safety outcomes in proportion to its degree of customization (CSST 1997). This classification considers the size of the company with regard to its annual assessment and insurable earnings. In 2000, the minimum annual assessment required in order to take advantage of the customized plan went from $18,000 to $4,500 (CSST 1999). However, a poor performance on the part of an employer subject to this method may result in an assessment rate higher than average for the same area of activity (rate by unit).

Rate by Unit—This method used for calculating annual premiums is well suited to small businesses with assessments of less than $4,500. Based on complex statistical and actuarial rules, assessments by rate per unit are calculated according to the average costs of workplace injuries for a given sector during the last four years (Chauméry 1998). It is worth noting that the average assessment has only gone down since 1995. This tendency results from investment income surpluses accrued by the *Commission de la santé et de la sécurité au travail* (Théroux 1998).

During phase two of assessment calculation reform, many changes were made to the regulations pertaining to occupational health and safety. One of these was the extension of the accounting period from three to four years (CSST 1999). This change will, according to certain analysts, give a more accurate picture of future assessment costs (Froment 1999).

As the frequency of accidents in small businesses is relatively low, occupational health and safety performance does not offer sufficient statistical credibility to accurately forecast these rates (Chauméry 1998). Based on an approach valuing health and safety outcomes, small and medium-sized employers demanded for a new regime in which their premiums would better reflect their efforts in this field.

Since employers define the provisions and terms of reference of their association, members of a mutual insurance company have full authority to select or exclude any employer (Gamache 1997). Since the full effect of reductions is felt only after four years of group participation, the exclusion of an employer who has already been admitted could negatively affect group performance in the years to come. In this regard, Chauméry concluded (1998) that " ...the poor performance of a member who withdraws at the end of the first year of participation will negatively affect the premiums, for the

next four years, of the remaining group members." As regards the conflict resolution mechanism for mutual members, the Commission de la santé et de la sécurité au travail requires that associations possess such a mechanism but formally refrains from intervening in these matters.

Modifications to the method for apportionment of costs associated with workplace injuries stipulate that disbursements will no longer be considered on a fund basis but rather on a fiscal year basis (Medial 1999). Prior to this change, assessment forecasts aimed at determining rates (based on three years) accounted for paid out benefits (fund basis). When payments are made outside the reporting period, they are not taken into account when determining premiums (Froment 1999). Now, the Commission applies costs to the benefit period they were meant to cover. The fiscal year method allows for a more realistic assessment of injuries reported to the Commission. To avoid putting the financial stability of a company in jeopardy, the Commission has imposed a cap on assessments. Henceforth, this limit will no longer apply to the premium as a whole but rather only to amounts linked to risks (Froment 1999).

According to the new regulations recently adopted, the law defines a prevention mutual group as:

> A group of employers whose individual assessments collectively reach the minimum level required in order to fall under the customized rating plan or to increase the degree of customization. Prevention mutual groups are primarily designed to prevent workplace injuries and promote rehabilitation and the return to work of injured workers, with a view to benefit from rates reflecting the efforts of the stakeholders. To be eligible, the mutual association must comprise employers liable to the per unit and customized rates whose total annual assessments amount to at least $4,500. (Ogilvy Renault 1997)

Since the creation of this group insurance plan, any group wishing to charter a mutual association must advise the *Commission de la santé et de la sécurité au travail* before October 30 of the year preceding the start of its operations. The Commission studies the request and sends a notice that validates the mutual association on December 31 of the same year at the latest (CSST 1997).

Prevention mutual groups can take on various legal shapes to manage their organization. First of all, you have those, founded by a company and chaired by a board of directors representing their members, which have full jurisdiction over the group's internal workings. There are also some groups of businesses with a previously established professional affiliation, such as a local board of trade, which are managed by an internal monitoring committee. Then come the mutual groups managed by a third party, the legal owner of the mutual entity, who may act as an advisor and administrator. Finally, this third party may work with the managing committee, who in this case is vested with the mutual association's legal rights, in order to control the prevention and return to work programs, deal with any claims, and represent the mutual association where any challenge before the *Commission de lésions professionnelles* may arise (Beaulieu and Décarie 1997).

According to some analysts, the reforms brought about by the mutual associations have led to a tightening of benefit claims management (Gamache 1997). Indeed, a growing number of employers have been setting up policies challenging claims that, in their opinion, had a somewhat limited legitimacy

(Mélançon 2001). Nonetheless, if we compare employers that have "mutualized" to those who fall under the retrospective plan, their challenge rate is half that of the latter. To control any attempt to limit mutuals to just a challenge role, the *Commission de la santé et de la sécurité au travail* has implemented a control mechanism regulated by inspector audits. This ensures that the true objectives of mutualized groups are really prevention, rehabilitation and return to work. A mutual association that has not been created with safety objectives in mind will be dissolved and billed for any costs it has incurred, retroactive to the start of its operations, and its assessment will be revised upwards (Gamache 1997).

In 2000, only about 30 employers out of 500 visited by Commission inspectors were excluded from their respective mutual associations for not meeting their own safety program requirements (Mélançon 2001).

Previsions of expected gains are quite different with regard to group performance in the face of a per unit rate. First and foremost, some mutual management groups foresee gains of between 5 and 10 per cent in assessment savings over four years (Groupe AST 2001). Others are expecting more substantial assessment savings, up to 40 per cent. Certain mutual managers are even announcing rate customizations reaching as high as 100 per cent over a four-year period (Héroux 1999). The variations among these forecasts raise many questions regarding the quantification of expected gains.

American Safety Groups

In the United States, health and safety groups exist in more than 30 States. Among these workers' compensation plans, only Ohio offers a monopolistic workers' compensation program similar to the Workers Compensation Board of Canada (Beaulieu and Décarie 1997). The majority of plans are offered by private sector organizations and their results vary according to the insured groups or industries. Here are some of the main plans.

Texas *Safety Group*

These groups, formed by same-sector companies, offer rebates on member insurance. The premiums are applied to group savings according to the level of compensation and the rebate can be as high as 10 per cent of the premium (TexasMutual 2001).

Pennsylvania *Safety Group*

Certain insurers offer tailor-made products for businesses. Since 1983, the Keystone Insurers Group has offered workers' compensation products to groups of employers from various sectors as well as to non-profit organizations. Acting as an insurer and advisor in group management, the Keystone Group has been engaged in the regulating of compensation claims in order to reduce the incidence of fraud and ensure claim legitimacy. Safety group members share annual dividends of 9 to 25 per cent (Keystone Insurers Group 2002).

Ohio *Safety Group*

The workers' compensation plan of Ohio sets its safety group assessment rates according to employers' claims history. Any employer wishing to join a group must develop a health and safety action plan with the help of Compensation Board's employer services. Furthermore, companies must participate in a workplace drug use elimination program. Group employers benefit from premium reductions when they develop and implement their occupational health and safety program. These reductions may reach 10 per cent during the first and second years of group participation. A 5 per cent rebate may be obtained in the third year. Over the following years, the group may be offered a 10 per cent reduction for every 15 per cent decrease in the severity of reported accidents and a 5 per

cent reduction for a 15 per cent reduction in the accident frequency. Businesses meeting both objectives are even offered an additional 5 per cent rebate for the current year (Better Workers' Compensation of Ohio State). The groups also offer life, medical, dental and vision insurance clauses. The Ohio Lumbermen's Association has received more than $24 million in reductions since its inception (Ohio Lumbermen's Association). Safety group reductions or surcharges may be as high as 95 per cent. In 1999, the members under this plan benefited from an average reduction of 60 per cent (Better Workers' Compensation of Ohio State).

New Jersey *Safety Group*

Safety group members are divided into classes according to the industry they belong to. Besides offering rebates of 5 to 20 per cent on premiums, certain insurers offer a wide array of products such as health security and maintenance plans (drug-free environment, dental, vision, prescription, and life insurance) (Joseph J. Schipsi, Inc.).

Illinois *Safety Group*

Some safety group insurers in this State have a classification of businesses based on the degree of likelihood of insurance claims. Also, the total payroll covered influences premium assessment (Illinois Compiled Statutes Annotated 2001).

Idaho *Safety Group*

The classification of businesses which are members of a safety group is based on their type of business activity and the type of work performed by their employees. The average experience rating is assessed according to the total payroll of the company and its claim costs. A good group performance allows for a reduction of the company's insurance costs through dividends or surcharges, prorated to group gains or losses. Moreover, some insurers such as the Teton Valley Builders' Association offer support for conducting risk analyses and identifying means to set up occupational health and safety programs (Teton Valley Builders' Association).

Florida *Safety Group*

In order to help small businesses in the automotive sector paying annual premiums of less than $10,000, the Florida Automotive Industry Association safety group offers an additional 5 per cent rebate on premiums to employers with a good safety management. These reductions may total 12 per cent, and the year end dividend revenues may fall between 2.5 and 30 per cent. This insurance plan allows small companies to avoid being penalized with a significant increase whenever a particularly costly accident occurs (Florida Automotive Industry Association).

The Preferred Employers Group is an association representing fast food, family-oriented and fine cuisine restaurateurs. It represents about 4,000 members. The industry rate being $4,800, many restaurateurs' premiums are much higher than the actual compensation costs for their workers. The safety group offers dividends of up to 10 per cent and premium reductions representing half of the average rate for their industry (Preferred Employers Group).

Maryland *Safety Group*

The Maryland Forestry Workers safety group is insured by Bituminous Insurance Company and is managed by Morgan & Cheves Insurance Group. Each enterprise is insured individually within the group and its basic rate reflects its occupational health and safety merit standing. Dividends are prorated according to the claim and premiums rates which were granted in relation to the group. The group offers annual dividends of nearly 40 per cent (Morgan & Cheves Insurance 1998).

Colorado *Safety Group*

Many private insurers seek out clients with strong economic prospects to the detriment of smaller businesses. Safety groups accommodate this particular market by allowing firms' experience with occupational health and safety to directly influence their workers' compensation premiums. Furthermore, the use of claims history for the apportionment of dividends allows for a more equitable distribution of safety group revenues. Groups with stronger economic prospects have more power to acquire better services and to control in a very real sense their workers' compensation premiums. The basic terms and conditions require that a company create a safety manual; declare a minimum $500 deductible per claim; submit a program status report twice a year; comply with the industry professional association's legislation; and have a cumulative total payroll of $4 million (Moody Insurance Agency). Each group has its own compensation rate and its own internal management policy.

The relative importance of dividends is determined by each group member's claims history. Each company must be involved in an accident and injury reduction program. If a member company fails to demonstrate that its occupational health and safety program has progressed, exclusion from the group could ensue (Lifland 1997). A 5 per cent reduction is offered to safety group's members (Moody Insurance Agency). In 1997, the workers' compensation insurance authority in Colorado redistributed to its members dividends worth nearly $77,000, a full 24 per cent of premiums (Lifland 1997). However, where an employer can boast a year accident-free but its group has an overall poor performance, the employer will not receive a dividend. Dividends are distributed according to the claim rate of businesses and the premiums paid to the group.

New York *Safety Group*

The New York State Insurance Fund offers an inexpensive workers' compensation product. This private insurance plan represents profitless compensation for groups of employers with common risk levels. Members who make an effort in terms of workplace safety and obtain results that allow for reduced assessments are given back part of the monies saved as dividends. Each dollar saved returns to the group by way of direct dividends either to members or to the group's administrative management. Dividends may range between $54,000 and $274,000 per year. Furthermore, members are granted rebates of between 25 and 40 per cent on their insurance plan assessments (Keevily Spero-Whitelaw 2001).

California *Safety Group*

In this State, safety groups require that each group partner be from the same industry. The Builders' Exchange Compensation Council, a group of businesses from the construction industry, has developed a zero accident program in cooperation with the Construction Industry Institute. This program defines the various objectives that groups in the construction industry should meet (Agarwal and Everett 1997).

The program's objectives are the following:

- commitment, on the part of senior management, to occupational health and safety;
- inclusion of safety in the preparation work of any future project;
- implementation of a training program;
- management of safety with regard to the work of subcontractors;
- better management of files pertaining to the cause of accidents;
- implementation of a drug and alcohol abuse prevention program;
- development of an accident prevention program.

This program has enabled businesses in the construction industry to reduce their rates of reported accidents by 50 per cent and the number of lost days due to injury by 75 per cent. These reductions represent an annual decrease of some 10,000 accidents and savings of around $350 million (Agarwal and Everett 1997). Furthermore, the groups have contributed to reduce insurance costs related to marketing plans and group servicing. The insurer also benefits from such a system since the group as a whole is responsible for the assessment of its members. This protects the insurer from a company with a particularly high risk of injury which could become incapable of paying an increased assessment. Because they form a group, each member saves up to 10 per cent in assessment costs and pays an average of 50 per cent less on deposits (Agarwal and Everett 1997).

Overall...

Since 1992, more than half of all American States have adopted a legislation aimed at detecting and prosecuting cases of fraud. Potential cheaters, entities most susceptible to give inaccurate information are the following: medical service providers; workers who file a claims for non-work-related injuries, and employers who falsify their payrolls in order to reduce their assessment. Workers' compensation fraud is estimated to cost more than $5 billion annually (Agarwal and Everett 1997). Safety groups help reduce the incidence of fraud. Certain group committees see to the evaluation of claims in terms of entitlement.

All in all, American safety groups are similar: they offer private insurance services aimed at grouping employers in order to facilitate risk management and to allow for reduction of costs associated with occupational safety (by way of dividends, reduced assessments or reduced deposits on contracts). Several groups do not limit their services to employee compensation but they also offer community security management (personal insurance) as well as general risk management services (railroad, firearms, car accident). In some instances, American programs have offered reductions of more than 50 per cent, but performance averages somewhere between 15 and 30 per cent (Beaulieu and Décarie 1997).

Economic Theory and Risk Management in Occupational Health and Safety

In both Canada and the United States, all safety groups seem to benefit from cost savings. A state to state or province to province comparison of gains is difficult since membership conditions and rules governing the apportionment of the savings are very different. This type of partnership, which in many cases is composed of competitors from the same sector, require the joining of efforts and resources with a view to achieving supplementary gains.

However, these partnerships are fraught with informational asymmetries. They are thus vulnerable to strategic behaviour, particularly with regard to a risk of moral hazard in the relationship between members of a group. For example, the principal, his agent or a third party might adopt strategic behaviours based on insider information. The phenomenon of adverse selection (by which the choice of partners is based on the predictability and effectiveness of their projected contributions) is also part of possible strategic behaviours. All these strategies limit potential safety group gains. Certain analysts question the longevity of safety groups whose members' areas of activity vary greatly (Gamache 1997). In these cases, it is particularly difficult for each member to meet the objectives (prevention program) that each member pursues individually.

It is essential to fully understand the dynamics between safety group members and their relationship with the insurer with regard to the management of health and safety risks—and then, through a full description of group members' main strategic behaviours, to understand the existing interactions. The theory of non-cooperative games can, in our opinion, help explain the dynamics of potential strategic behaviours on the part of safety group decision centres. In this way, we will be able to propose guidelines designed to help develop contracts for these groups, to suggest safety group operational procedures, and to propose conflict resolution mechanisms.

Conclusion

An increase in competition has forced companies to consider stricter management of occupational health and safety issues. Insurers (both private and governmental) have thus implemented new experience rating programs that encourage reductions in the number of workplace injuries, rehabilitation and return to work. As we consider the various types of groups, it becomes apparent that they offer gain structures (dividends, assessment reductions), programs and member selection methods very different from one another.

Self-underwriting safety groups focusing on the management of low-disbursement internal claims are eligible for premium reductions of between 8 and 10 per cent. Since these types of insurance plans are often paired with other types of safety groups, their low revenues are in fact supplemental to other economies of scale.

Safety groups have had a wide array of performance outcomes. Quebec, with its program of mutuelles de prévention, proposes substantial gains linked to the efforts put forth by groups of small and medium-sized companies in the field of occupational health and safety. Ontario groups, for their part, offer two insurance products aimed at raising corporate awareness in terms of health and safety needs. Ontario's safety group program strongly resembles that of Quebec but requires that employers include in their group a minimum of poor performers and that all group members be from the same area of activity. The Safe Communities Incentive Program is aimed at small groups with assessments of less than $90,000. This rating plan offers members dividends representing 75 per cent of savings obtained by the group. Finally, American safety groups are also very different in their legal structures and their prevision of expected gains. New York state suggests gains of between 25 and 40 per cent while California shows savings of about 10 per cent on members' assessments. In summary, more research is needed. A closer look at the operational mechanisms of the groups which have been described will allow for the modelling of their internal dynamics, and the clarification of the many outcomes presented in this documentary analysis of safety groups.

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A DAY to remember

by **JULIE ROBILLARD**
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On April 28th, the Canadian Flag is flown at half-mast on Parliament Hill. This ritual honours the Canadian workers who have died or been injured as a result of workplace accidents. It is the **National Day of Mourning**, an occasion to remember Canadian workers, from those who helped build Canada early in her history, to those who continue that legacy today. It is the only day dedicated to commemorating all of those who have died or been injured as a result of workplace accidents.

The significance of National Day of Mourning is not immediately apparent. It is only when we realize that an average of four Canadian workers are killed every working day and every nine seconds someone is injured on the job, that we begin to understand the implications of hazards in the workplace. It is only when we consider that workplace accidents cost the economy almost $9.8 billion annually, in direct and indirect costs, that we begin to react.

The statistics and dollar figures, alarming as they are, do not come close to telling the story of pain and suffering caused by occupational accidents. In each case, a whole network of people is affected—children, spouses, parents, friends, and co-workers. You, or someone you know, can be imparted by a workplace accident.

Thirty years ago, the Government of Canada developed occupational safety and health legislation to help improve workplace conditions. Since then, progress has been made each and every year legislation has contributed greatly to the decrease in workplace accidents. The average number of accidents per 100 employees has decreased progressively since the beginning of the 1990's and has abated from 8.76 to 7.02 in 1999.

By continuing to strive for healthier and safer workplaces, we are paying tribute to those we are commemorating. Education, awareness, and co-operation in the workplace will help us to prevent these sad accidents.

National Day of Mourning focuses our attention on the tragic consequences of workplace hazards and reminds us that we all have a role to play in helping promote safe workplaces for all Canadians.

Globalization and the Canadian Economy

Implications for Labour Markets, Society and the State

JP Surette
Communications, Labour Program
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The Canadian Workplace Research Network works in partnership with other organizations to sponsor conferences and research related to workplace issues. With the support of Human Resources Development Canada—Labour Program, the Research Network organized and hosted a conference on "Globalization and the Canadian Economy: The Implications for Labour Markets, Society and the State". A broad range of participants were presented with theme-related papers and briefs by leading researchers. This article briefly highlights the compilation of papers presented at this unique forum. The book was edited by Richard Chaykowski, co-chair of Canadian Workplace Research Network and a professor at Queen's University.

"...there has been widespread and growing public concern voiced over the economic and social implications of increasing globalization and economic integration in this hemisphere. This public concern has been expressed to government quite openly and strongly" writes Professor Chaykowski.

The book, *Globalization and the Canadian Economy* examines three related themes through the eyes of academics, policy thinkers, union officials and representatives from the non-governmental sector. The themes are the impact of globalization on national labour markets; the modernization of national administrations to meet new technological needs; and the social dimensions of hemispheric integration.

Various aspects within the publication include:

- the contradictions inherent in globalization;
- while globalization has broken down international barriers and brought employment to many, it has also brought along new forms of exploitation;
- the apparent paradox of global markets versus national union policies and agreements. (One author discusses how unions continue to play catch up, looking for ways to coordinate their strategies across larger boundaries.);
- the role of the Government of Canada is also analyzed. Is the dual role of governments (promoting trade agreements while fostering arrangements that help minimize the social costs) the best and only approach?
- could transnationally applied codes of conduct provide the basis for new International Labour Organization conventions, just as collective bargaining agreements in national contexts have provided the basis for labour standards?

By definition, globalization affects everyone. This book includes over a dozen perspectives on core themes under investigation. As a relatively new subject, any discussion of globalization must encompass a wide spectrum of sensitivities, experience and knowledge. Concerning social dimensions, a question is asked about how to facilitate open and constructive dialogue to successfully advance a concept of globalization that is not simply the extrapolation of western values to the entire planet. Regarding the implications of globalization for labour, one author points out that "labour becomes a source of competitive advantage… because the price of goods and capital are often fixed in international markets. Labour becomes a crucial resource to be optimized, not a cost of production to be minimized."

The publication represents a step in the process of supporting a continuing constructive dialogue on the critical issues that globalization raises for all Canadians.

The Federal Mediation and Conciliation Service has a limited number of copies of this book available for distribution. A copy may be obtained by calling 1-800-563-5677 or by fax at (819) 953-3162. For more information about the Canadian Workplace Research Network please visit www.cwrn-rcmt.org/.

Workplace Information

Information sur les milieux de travail

Selection of Recent Changes in Canadian Labour Laws

Adopted Bills, Regulations and Other Statutory Instruments

BY MICHEL GAUVIN, CHARLES PHILIPPE ROCHON and CAROLINE SAUVÉ
Strategic Policy and International Labour Affairs, Labour Program
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Federal: *Order Specifying that the Canadian Forces are a Portion of the Public Sector Employing One Hundred or More Employees for the Purpose of Subsection 4(1) of that Act (Employment Equity Act); SOR/2002-420; Gazetted December 4, 2002*

By virtue of this Order, the Canadian Forces are now covered by the provisions of the *Employment Equity Act*, as adapted by the *Canadian Forces Employment Equity Regulations* described below.

This Order came into force on November 21, 2002.

Federal: *Canadian Forces Employment Equity Regulations* under the Employment Equity Act; *SOR/2002-421; Gazetted December 4, 2002*

The purpose of the *Canadian Forces Employment Equity Regulations* (CFEER) is to adapt the provisions of the *Employment Equity Act* (EEA) to accommodate the Canadian Forces, taking into account their role, the structure of military occupational groups, and the need for operational effectiveness. They apply in lieu of the *Employment Equity Regulations*.

The Canadian Forces have to comply with the requirements of the EEA, such as collecting workforce information, conducting a workforce analysis, carrying out an employment systems review, and preparing and implementing an employment equity plan. However, the CFEER provide for certain special rules and exceptions.

- The Chief of the Defence Staff, acting within the scope of the powers, duties and functions conferred to him under the *National Defence Act*, is responsible for carrying out the obligations of an employer under the EEA and for the application of the CFEER in relation to the Canadian Forces.
- The EEA and the CFEER do not apply to Canadian Forces members who are serving in the special force.
- Statutory employment equity requirements regarding the Canadian Forces are limited by the obligation to maintain operational effectiveness. Therefore, the CFEER provide that enrolment, re-engagement or promotion within the Canadian Forces is restricted to persons who meet the applicable mental and physical fitness requirements and who can perform their duties. Likewise, the powers of the Canadian Human Rights Commission (the Commission) and of the Employment Equity Review Tribunal (the Tribunal) have been adjusted to ensure that they do not give a direction or make an order that would prejudice the operational effectiveness of the Canadian Forces.
- The CFEER specify that the Commission, including its officers and persons acting on its behalf or under its direction, must take into account, when exercising any powers regarding the application of the EEA, that certain Canadian Forces members may choose not to identify themselves

as a member of a designated group. This recognizes that in the context of mental and physical requirements for military personnel, there may be some reluctance to self-identify as a person with a disability.

- Any person acting on behalf or under the direction of the Commission or the Tribunal, including their members and officers, must satisfy any applicable security requirements as regards access to and use of information received or obtained for the purpose of the EEA. Where these security requirements restrict or limit access to information that is necessary for the application of the EEA or the CFEER, the Chief of the Defence Staff must provide alternate means, consistent with the *National Defence Act*, for the Commission and Tribunal to carry out their responsibilities.

- Requirements of the EEA related to consultation and collaboration with employee representatives have been altered with respect to the Canadian Forces: although the Chief of the Defence Staff is required to establish a mechanism for consulting Canadian Forces members on employment equity matters, there is no obligation to consult "employee representatives", nor to collaborate with them in the preparation, implementation and revision of the employment equity plan.

- Record keeping and reporting obligations have been adjusted to acknowledge the structure of the Canadian Forces and of the various military occupational groups.

These Regulations came into force on November 21, 2002.

Federal: ***Order Specifying the Royal Canadian Mounted Police for the Purposes of the Employment Equity Act; SOR/2002-422; Gazetted December 4, 2002***

By virtue of this Order, the Royal Canadian Mounted Police is now covered by the provisions of the *Employment Equity Act* and the *Employment Equity Regulations*.

This Order came into force on November 21, 2002.

Federal: ***Regulations Adapting the Employment Equity Act in Respect of the Canadian Security Intelligence Service; SOR/2002-423; Gazetted December 4, 2002***

These Regulations adapt the *Employment Equity Act* (EEA) to accommodate the Canadian Security Intelligence Service (CSIS), taking into account its operational effectiveness and the need to protect national security information. It should be noted that CSIS has been covered by the EEA since the Act came into force in 1995.

The following additional provisions apply to CSIS as well as to the Canadian Human Rights Commission (the Commission) and the Employment Equity Review Tribunal (the Tribunal) in terms of their respective enforcement responsibilities.

- Where conducting a compliance audit of CSIS, a compliance officer may not reproduce or remove documents containing national security information. A compliance officer may only review such documents in a secure room provided by CSIS. He/she may nevertheless take notes and make written summaries containing national security information, but must follow security rules with respect to storage of this information.

- A document prepared by Commission staff in relation to a compliance audit of CSIS—including any report or other document prepared by a compliance officer who reviewed documents containing national security information—may not be disclosed to someone who is not Commission staff or a member of a Tribunal unless first reviewed by the Director of CSIS. Any information deemed by the latter to be national security information must be removed from the document before it can be released. A similar procedure applies where a compliance audit concerning a portion of the public service of Canada or other portion of the public sector covered by the EEA may lead to the disclosure of national security information provided by CSIS.

- A Tribunal formed to deal with an employment equity matter concerning CSIS must notify the CSIS Director before a hearing begins. If the latter determines, after receiving the notice, that the proceedings of the Tribunal are likely to involve national security information, he/she may require that portions of the hearing be held *in camera* and that the Tribunal apply certain security measures. The Regulations specify that *in camera* portions of a hearing must be conducted in a secure room and that persons appearing during these proceedings must satisfy security requirements and take an oath of secrecy. The Regulations also contain provisions pertaining to the storage and examination of exhibits containing national security information. Furthermore, they stipulate that the Tribunal may ask CSIS to prepare, for inclusion in the public record, a summary of the information disclosed during the *in camera* portion of special proceedings, excluding national security information.

- After holding special proceedings (i.e., proceedings involving CSIS likely to entail national security information), the Tribunal must provide the Director of CSIS a copy of its decision 30 days before the date it is intended to be released to any person. The Director must review the decision to determine whether it contains any national security information and notify the Tribunal of his/her determination within a reasonable period. If applicable, the Tribunal must then revise its decision to ensure that no national security information is revealed when it is released.

- Finally, the Regulations provide that a compliance officer must surrender to CSIS all documents containing national security information after certain conditions have been met (e.g., once CSIS has complied with its obligations under the Act). The Tribunal must do the same with respect to documents related to special proceedings.

These Regulations came into force on November 21, 2002.

Alberta: *Occupational Health and Safety Amendment Act, 2002;* Bill 37 Assented to December 4, 2002

Effective December 4, 2002, this Act brought a number of amendments to the *Occupational Health and Safety Act*, the most important of which are described below.

Publication of information about employers

The Minister of Human Resources and Employment may take the following measures to encourage good and discourage bad work site safety records: to establish indices and measurements of work site injury prevention; to maintain a register of the names of employers and their performance, as determined by the Minister, in relation to those indices and measurements; to collect any information needed for that register from another public body that provides such information; and to publish, or to authorize a department or agency of the Government or any other body to publish, the information contained in that register.

Ministerial orders and codes

The Occupational Health and Safety Council has been given the power to make a code of rules (referred to in the Act as an "OHS code") respecting specific health and safety matters for or in connection with occupations and work sites, including the following: reporting requirements and the maintenance and preservation of documents reported; medical and health requirements; joint work site health and safety committees; the making available of codes of practice and other information and documents required by an adopted code; and the instruction, supervision and qualifications of specified persons.

An OHS Code may also provide for the prevalence of specified provisions of an adopted code over other specified provisions of another adopted code, and may provide for any matter or thing which may or is to be provided for by an adopted code under the Act or the regulations.

The Minister may, after consulting with such representatives of employers and of workers in the industries that will be affected by the code as he/she considers appropriate, make an order adopting any code that is made by the Council in accordance with the Act.

An OHS code may itself adopt or incorporate another specific code (referred to as a "secondary code") or part of a secondary code, as it exists at a particular time, dealing with health and safety matters that are within the Council's jurisdiction.

Any provision of regulations or an adopted code may be made to apply generally or to a particular occupation, work site, prime contractor, owner, employer, contractor, supplier or worker or any class of any such category.

Except to the extent that an OHS code or regulations provide(s) otherwise, the provisions of an OHS code prevail over those of a secondary code, and the provisions of regulations prevail over those of an adopted code.

Offences under the Act

A person who contravenes an adopted code, including an OHS code and a secondary code, is guilty of an offence and is liable to the penalties specified in the Act.

In addition, there is an increase in the fines that can be imposed when a person contravenes the Act, the regulations or an adopted code or fails to comply with an enforcement order.

The maximum fine for a first offence has been increased from $150 000 to $500 000 and, in the case of a continuing offence, the maximum additional fine has been increased from $10 000 to $30 000 for each day during which the offence continues after the first day.

The maximum fine for a second or subsequent offence has been increased from $300 000 to $1 000 000 and, in the case of a continuing offence, the maximum additional fine has been increased from $20 000 to $60 000 for each day or part of a day during which the offence continues after the first day.

The maximum additional fine for failing to comply with an order of an officer made under section 10 of the Act (i.e., a stop work order, an order to leave the work site and/or an order to take specified measures to remove a danger or protect persons from it), whether or not the order was modified as a result of an appeal, has been increased from $300 000 to $1 000 000.

The maximum fine that may be imposed on a person who knowingly makes any false statement or knowingly gives false information to an officer or a peace officer engaged in an inspection or investigation under the Act has been increased from $500 to $1000.

A prosecution under the Act may be commenced within two years (instead of one year previously) after the alleged offence was committed, but not afterwards.

Additional court powers

Where a person is convicted of an offence against the Act, in addition or as an alternative to taking any other action it provides for, the court may, having regard to the nature of the offence and the circumstances of the case, make an order directing the person to establish or to revise the health and safety policy for the work site and the arrangements to implement that policy or a training or educational program regarding the health or safety of workers at the work site. The court may also make an order directing the person to take specific action to improve health and safety at work sites, or any other action specified in the regulations.

British Columbia: Human Right Code Amendment Act, 2002*; Bill 64; Assented to October 31, 2002*

The contents of Bill 64 are based to a large extent on Bill 53, which was introduced in the Legislature on May 30, 2002 as a basis for public consultations. The latter Bill was subsequently withdrawn.

This Act will bring significant changes to the administration of complaints under the *Human Rights Code*, by abolishing the Human Rights Commission and making the Human Right Tribunal directly responsible for receiving, mediating and adjudicating cases. The tribunal, however, will not inherit the powers of investigation currently given to the commissioner of investigation and mediation and human rights officers. In fact, provisions regarding the investigation of complaints (sections 23 and 24 of the Code) will be repealed. Furthermore, the Human Rights Advisory Board—whose role is to provide information about the human rights system, serve as a channel for the concerns of the public, and advise the Minister responsible for the *Human Rights Code* on matters relating to the administration of the Code—will also be eliminated.

Following are additional changes of note to the *Human Rights Code*:

- In light of its new responsibilities, the tribunal's powers will be expanded. For instance, it will have the authority to make rules or make an order permitting or requiring that complaints be dealt with through mediation. (A member of the tribunal or a person appointed, engaged or retained by the tribunal is to serve as mediator.) As well, a member or panel of the tribunal will be able to award costs against a party who contravenes a rule or an order of the tribunal. A new provision also specifies that the chair of the Human Rights Tribunal is responsible for the management of the tribunal and for the allocation of work among its members.

- The Minister responsible for the Code will be responsible for public education and information programs and will have the power to conduct research or to carry out consultations relevant to the Code. These responsibilities were previously assigned to the chief commissioner and deputy chief commissioner of the Human Rights Commission.

- Amendments will recognize a new "intervenor" status. A member or panel of the tribunal will have the power to allow a person or group to intervene in a complaint at any time after it is filed, on terms specified by the member or panel. A person or group will not need to be affected by an order of the tribunal to be allowed to intervene. Moreover, the definition of "party" (with respect to a complaint) will be expanded to cover not only the complainant and the person against whom the complaint is made, but also any other person added by the tribunal.

- The time limit for filing a complaint under the Code will be reduced from one year to six months after the alleged contravention. A member or panel of the tribunal will be able to accept all or part of a complaint filed after this time limit, but only if it determines that doing so is in the public interest and that no substantial prejudice will result to any person because of the delay. (Currently, the commissioner of investigation and mediation may accept a complaint if the delay in filing it was "incurred in good faith" and no substantial prejudice will result to any person because of the delay.)

- In addition to other grounds for dismissal, a member or panel of the tribunal will be able to dismiss all or part of a complaint if "there is no reasonable prospect that the complaint will succeed". Unlike what was earlier proposed in Bill 53, the amendments contained in Bill 64 do not provide a procedure for the review of a dismissal.

- Where a complainant withdraws a complaint or a complaint is settled by the parties involved, the tribunal will have to order that the complaint is discontinued.

- Rules regarding evidence will be modified. New provisions will stipulate that "nothing is admissible in evidence before a member or panel that is inadmissible in a court because of a privilege under the law of evidence" and that a "member or panel may direct that all or part of the evidence of a witness be heard in private".

- The tribunal will be responsible for submitting an annual report of its activities to the Minister, a task which is currently assigned to the Human Rights Commission. However, the Code will no longer

expressly require that the annual report include information on the disposition of complaints during the preceding year or information concerning compliance with specified regulations.

These amendments will come into force on a date to be set by the Lieutenant Governor in Council.

British Columbia: *Coming into force of certain provisions of the Employment Standards Amendment Act, 2002; O.C. 1005-2002, Gazetted December 18, 2002*

Amendments to the *Employment Standards Act*[1] regarding hours of work and overtime, statutory holidays, appeals of determinations and administrative penalties came into force on November 30, 2002.

British Columbia: *Amendments to the Employment Standards Regulation*; B.C. Reg. 307/2002 under the *Employment Standards Act*; Order in Council 1005-2002, Gazetted December 18, 2002

This Regulation brought a number of amendments to the *Employment Standards Regulation* (ESR). These amendments pertain to minimum employment standards applicable to certain occupations and industries, record keeping requirements for specified employers and new penalties for contraventions to the Act.

Record Keeping Requirements

The period during which employment agencies, farm labour contractors and talent agencies are required to keep records was reduced from three years to two years. This brought these record keeping requirements in line with those prescribed in the ESA for other employers.

Administrative Penalties

Minimum penalties for violations of the ESA or ESR are now $500 for a first offence, $2,500 for a second offence, and $10,000 for a third offence. Previous penalties ranged from $0 to $500 (although a $5,000 penalty could be imposed for contraventions related to the employment of children in the motion picture, television and television or radio advertising industries).

In contrast to previous penalties, the new fines represent a fixed amount. They are no longer multiplied, for specified contraventions, by the number of employees affected. In addition, the ESR now specifies that penalties can only be imposed when the Director of Employment Standards renders a determination. Therefore, no fines may be levied where a complaint is settled by means of the "Employment Standards Self-Help Kit" or through a mediated settlement agreement. Furthermore, the higher penalties (i.e., $2,500 and $10,000) only apply where an employer contravenes the same section of the Act or Regulation, *at the same location* (or involving the same employee), within three years of a previous violation.

Managers

The definition of "manager" was expanded to include persons whose principal employment responsibilities are to direct or supervise non-staff resources.

Employees of High Technology Companies

The ESR now defines a "high technology professional" as "an employee who is primarily engaged in the investigation, analysis, design, development, implementation, operation or management of information systems based on computer and related technologies through the objective application of specialized knowledge and professional judgment".[2] This definition is broader than the one it replaced.

[1] These amendments, brought by Bill 48, were described in the fall 2002 issue of the Workplace Gazette, Vol. 5, No. 3.

[2] This definition is identical to the definition of "information technology professional" found in Ontario's *Exemptions, Special Rules and Establishment of Minimum Wage Regulation* (pursuant to the *Employment Standards Act, 2000*).

First, it is based on the nature of work performed rather than specific job titles. Secondly, the ESR no longer stipulates, as it previously did, that an employee must receive stock options or other performance based pay, in addition to regular wages, to be deemed a "high technology professional". As was the case before, high technology professionals are not covered by the ESA's provisions regarding hours of work, overtime and statutory holidays (except for the prohibition on excessive hours).

Employees of a "high technology company" (as defined by the ESR) who are not high technology professionals are no longer excluded, as a whole, from the ESA's overtime and weekly rest provisions. However, special rules apply if they enter into an averaging agreement with their employer; such an agreement is exempted from some of the following ESA requirements: it does not need to specify a daily work schedule; it can provide for a work schedule averaging more than 40 hours per week; and an employee it covers is not entitled to daily overtime pay (although the employee must still be paid at time-and-a-half for any applicable weekly overtime[3]).

Livestock Brand Inspectors, Taxi Drivers

Livestock brand inspectors and taxi drivers are now entitled to time-and-a-half for hours worked in excess of 120 within a two-week period, compared to double time previously.

Truck Drivers

The overtime rate for long-haul truck drivers was reduced from double to 1 ½ times their regular wage for hours worked in excess of 60 in a week.

New provisions also cover "short-haul truck drivers", defined as persons "employed to drive a truck, usually for a distance within a 160 km radius from their home terminal". These employees are now entitled to the overtime rate (1 ½ times their regular wage) for hours in excess of nine hours in a day or 45 hours in a week.

Oil and Gas Field Workers

Overtime rates for the oil and gas well drilling and servicing industry have been aligned with the ESA's general rules.

Specified first aid workers, water truck operators, vacuum workers and camp catering workers who are scheduled for a 24 hour shift and whose rest period is interrupted are now entitled, for the greater of either 2 hours or the hours actually worked during the interruption, to 1 ½ times their regular rate if total hours worked or earned on that day are 12 or less. The double rate only applies where total hours worked or earned exceed 12 hours in the day.

Silviculture Workers

Overtime rates for silviculture workers have been aligned with the ESA's general overtime rules.

Instead of paying statutory holiday pay as provided for in the ESA, an employer may still pay a silviculture worker 3.6 per cent of gross earnings on each pay cheque or multiply any applicable piece rate by 1.036. However, to meet the requirements of the ESA, employers no longer have the option of paying a silviculture worker a day's pay, based on average earnings in the previous four weeks, for a statutory holiday not worked nor, if the employee works during the holiday, double the employee's piece rate or regular rate.

In addition, the ESR now stipulates that a silviculture worker must agree in writing before his/her employer can charge him/her a fee for lodging provided.

[3] Under an averaging agreement, weekly overtime is payable where an employee's total hours of work during the averaging period exceed an average of 40 hours per week. However, in calculating the total hours of work, only the first 12 hours worked by an employee in each day of the averaging period is to be counted.

Fish Farm Workers

The ESR contains new provisions concerning fish farm workers. The latter, if they work or earn an average of at least 35 hours per week over a period of one to eight weeks specified by the employer before the work begins, are no longer covered by the ESA's overtime and weekly rest period provisions.

An employee who works at a fish farm site on a 24 hour live-in basis is entitled, in every period of 24 hours, to at least 12 hours of rest without pay, including a rest period of eight or more consecutive hours. If a rest period is interrupted, the employee must be paid the greater of two hours or the hours actually worked during the interruption at time-and-a-half, unless more than 12 hours in total were worked or earned on that day, in which case the employee is entitled to the double time rate. Moreover, an employee working on a 24-hour live-in basis must be paid overtime, at the rate of 1 ½ times his/her regular rate, for all hours worked in excess of an average of 40 hours per week (the hours being averaged over a one- to eight-week period specified by the employer before the work begins).

Mining Workers

Under new provisions, the employer of a person who works for a surface mining operation regulated by the *Mines Act* may institute a work schedule consisting of a cycle of four 12-hour work days followed by four days off, repeated over a period of eight consecutive weeks. Overtime is payable at double time for hours worked in excess of 12 in a day, and at the rate of 1 ½ times an employee's regular rate for hours worked in excess of 40 hours per week, averaged over the eight-week period. Such a work schedule, if implemented, exempts the employer and employees it covers from the ESA's overtime and averaging agreement provisions.

Commission Salespersons

Salespersons paid entirely or partly by commission are now excluded from the ESA's overtime and statutory holiday pay provisions if all of the wages they have earned in a pay period (including base pay at straight time and commissions) exceeds the total amount to which they would have been entitled at their base rate (or the minimum wage, if greater) under these provisions. In practice, this means that sales commissions are not deemed to be part of a commission salesperson's regular wage when calculating overtime and statutory holiday pay, but can be added to the employee's base pay to determine whether overtime and holiday pay requirements have been met.

In addition, "high-end" commission salespersons (i.e., persons employed to sell, or sell lease arrangements for, automobiles, trucks, heavy industrial or agricultural equipment, recreation vehicles or campers, or sailing or motor vessels) are no longer covered by the ESA's provisions regarding minimum wage, statutory holidays, and hours of work and overtime (except the prohibition on excessive hours).

Foster Care

A new section of the ESR stipulates that the ESA does not apply to persons who provide foster care in their place of residence, in situations that meet established criteria.

Other Changes

Provisions of the ESR regarding flexible work schedules were deleted. This is a consequential amendment: flexible work schedule provisions in the ESA were repealed by the *Employment Standards Amendment Act, 2002*. The section of the ESR concerning the calculation of pro-rated holiday pay was also removed, since a new formula has been incorporated in the ESA.

Coming into Force

The above changes to the *Employment Standards Regulation* came into effect on November 30, 2002.

Manitoba: *The Fire Departments Arbitration Amendment Act;* Bill 4 Assented to December 12, 2002

Effective December 12, 2002, this Act has amended *The Fire Departments Arbitration Act* to make the provisions dealing with collective bargaining between firefighters and municipalities apply, with some changes, to collective bargaining between the City of Winnipeg and the bargaining agent representing its paramedics. These provisions prohibit strikes and lockouts. When, three months after notice to bargain was given, any collective agreement between the city and the bargaining agent for paramedics is no longer in effect and a new one has not been concluded, either or both of the parties may apply to the Minister of Labour and Immigration to establish an arbitration board, and the Minister may take such action. The arbitration board attempts to bring about a settlement of the dispute and, if it is unsuccessful, it makes an award that is binding on the parties.

The title of the Act was changed to *The Firefighters and Paramedics Arbitration* Act. Consequential amendments were also made to *The City of Winnipeg Charter* and *The Labour Relations Act*, and an unproclaimed amendment to *The Essential Services Act* passed in 1999 was repealed; its purpose was to extend the application of that Act to the City of Winnipeg, as it pertains to ambulance services.

Northwest Territories:* Human Rights Act; *Bill 1, Assented to October 30, 2002

The purpose of this new Act is to replace the *Fair Practices Act* and reform human rights legislation in the Northwest Territories. It will expand the list of prohibited grounds of discrimination, establish an independent Human Rights Commission and put in place modern investigative and adjudicative processes for dealing with complaints.

Interpretation and Application

Provisions specify that nothing in the new Act will abrogate or derogate from the protections provided for existing aboriginal and treaty rights by section 35 of the *Constitution Act, 1982*, or adversely affect any right or privilege regarding denominational schools under the *Northwest Territories Act* (Canada).

Prohibited Discrimination

While covering most of the fundamental principles underlying the *Fair Practices Act*, the *Human Rights Act* has a broader scope. In addition to prohibited grounds of discrimination that were previously recognized, it will protect individuals against discrimination based on ethnic origin, gender identity, religion, sexual orientation, social condition, family affiliation, political belief, political association and disability (whether a past or current disability is physical or mental, actual or perceived[4]). It will also protect an individual from discrimination on the basis that he/she has or is believed to have a predisposition to develop a disability. Moreover, the new Act will specify that the category of sex as a prohibited ground of discrimination is deemed to include protection from discrimination on the basis of potential or actual pregnancy. A provision will also stipulate that an intention to discriminate is not necessary to be found guilty of discrimination.

The *Human Rights Act* will prohibit discrimination on the above grounds with respect to employment and terms and conditions of employment, as the *Fair Practices Act* currently does. There will nevertheless be some exceptions: this will not affect, with respect to age and marital status, the operation of any *bona fide* retirement or pension plan, or the terms and conditions of a *bona fide* group or employee insurance plan. Nor will it apply to practices based on *bona fide* occupational requirements, if it can be established that accommodating the needs of an individual or group of individuals would impose undue hardship on an employer. Furthermore, non-

[4] The Act will also provide a list of diseases and conditions that fall within the definition of disability.

profit organizations, societies and corporations of a charitable, educational, fraternal, religious, social or cultural nature, or operated primarily to foster the welfare of a religious or racial group, will be entitled to give preference in employment to an individual or group of individuals if this preference is solely related to their special objectives. Owners of businesses will also have the right to give preference in employment to members of their family.

New anti-harassment provisions will be added. These will forbid, on the basis of a prohibited ground of discrimination, harassment of any individual or class of individuals in the provision of goods, services, facilities or accommodation, commercial premises or residential accommodation, or in matters related to employment. The new Act will also give a broader definition of harassment—i.e., engaging, with respect to an individual or class of individuals, in a course of vexatious comment or conduct that is known or ought reasonably to be known to be unwelcome by the individual or class of individuals.

Equal Pay

With respect to equal pay provisions, the principle of "equal pay for equal work" will be maintained, but with a broader scope. Hence, no person will be allowed, *on the basis of a prohibited ground of discrimination*, to remunerate an employee at a lower rate than what is paid to other employees in the same establishment who perform, for the same employer, the same or substantially similar work—i.e., work involving the same or substantially similar skills, effort and responsibility and performed under the same or substantially similar conditions. Protection against pay discrimination will therefore no longer apply solely to female employees, but to all categories of employees protected by the *Human Rights Act*. However, it should be noted that paying an employee at a lower rate of pay will be allowed if the difference in the rate is attributable to one of the following: a seniority system; a system that measures earnings by quantity or quality of production or performance; a compensation or hiring system that recognizes the existence of a labour shortage in respect of the field of work or regional differences in the cost of living; a downgrading, reclassification or demotion process or system; the existence of a temporary rehabilitation or training program; or any other system or factor that is not based on a prohibited ground of discrimination.

Human Rights Commission and Director of Human Rights

As previously mentioned, the new Act will establish an independent Human Rights Commission. This Commission, composed of three to five members appointed by the government on the recommendation of the Legislative Assembly, will be responsible for the application of the Act. This will include promoting human rights and supporting the elimination of discriminatory practices through the development of public information and education programs and the undertaking of research. As part of its functions, it will also be called upon to advise the Legislative Assembly on matters related to the Act and to submit an annual report detailing its activities and the disposition of complaints. The Commission will also be given a number of investigative powers, such as making inquiries, removing records and documents for examination and entering and inspecting premises (although a warrant will be required in certain cases).

The Director of Human Rights, also appointed by the government on the recommendation of the Legislative Assembly, will act as the registrar of complaints filed or initiated under the Act, maintain a public register of decisions and orders made by adjudicators, supervise and direct the work of Commission employees and assistants, oversee the work carried out by community organizations, give the Commission a written report on the status and disposition of complaints every three months and generally carry out the administration of the Act.

It will be possible for complaints to be filed either by an individual (or group of individuals) claiming to be aggrieved because of a contravention to the Act or

by the Commission itself, where it has reasonable grounds for believing that a person has contravened the Act. In both cases, the complaint will normally have to be filed or introduced within two years of the alleged contravention. Once a complaint has been filed or initiated, the Director will be able, under specified conditions, to have it deferred, dismissed, or referred for adjudication. The Act also provides for the settlement of complaints by agreement, through mediation or other means, with the assistance of the Director, a Commission employee or assistant, or a community organization.

Where a complaint is referred for adjudication, an adjudicator will be responsible for conducting a hearing to determine whether or not the complaint has merit in whole or in part. If the adjudicator finds that the complaint has merit, he/she will have the power to order a party against whom the finding was made to cease contravening the Act and to make available to any injured party the rights, opportunities or privileges that were denied contrary to the Act, including reinstatement in employment. The adjudicator will also have the power to order compensation for wages or income lost or expenses incurred because of the contravention as well as payment of an amount for injury to feelings or dignity. Where he/she finds that a party has acted wilfully or maliciously or has repeatedly contravened the Act, the adjudicator could also order payment of exemplary or punitive damages not exceeding $10,000.

Coming into Force

The *Human Rights Act* will come into effect on a day or days to be fixed by order.

Nunavut: *An Act to Amend the Labour Standards Act; Bill 21;* Assented to December 3, 2002

This Act raised the minimum wage rate in Nunavut to $8.50 an hour. It also eliminated "sub-minimum" rates that previously applied to employees who work in certain places or communities and to employees under the age of 16. These changes took effect on March 3, 2003.

Ontario: *Government Efficiency Act, 2002;* Bill 179 Assented to November 26, 2002

This Act brought amendments to many statutes, including the *Labour Relations Act, 1995* and the *Employment Standards Act, 2000*.

The most significant change to the *Labour Relations Act, 1995* was the replacement of sections 150.1 and 150.2 by new sections renewing the special collective bargaining framework for the residential sector of the construction industry in the geographic areas of jurisdiction of the City of Toronto, the Regional Municipalities of Halton, Peel, York and Durham, and the Corporation of the County of Simcoe. These sections provide for the following:

- All collective agreements that are to expire before April 30, 2007 and that apply to residential construction work, in the above-cited areas, are deemed to expire with respect to that work on April 30, 2004. They will expire every three years from that date. Normal collective bargaining procedures remain in place, except as mentioned below.

- For the 2004 round of bargaining only, a strike or lockout will be prohibited after June 15, 2004. If no agreement is reached by that date, the matters in dispute may be referred to binding arbitration by either party. The parties may jointly appoint an arbitrator and agree on a method of arbitration (i.e., mediation-arbitration, final offer selection or any other method). If the parties cannot agree on an arbitrator or on a method of arbitration, at the request of either party, the Minister of Labour will appoint an arbitrator and the method of arbitration will be prescribed by regulation.

Numerous changes, many of them of a technical nature, were also made to the *Employment Standards Act, 2000* (ESA 2000). Their intent is to clarify some provisions as well as to reduce certain administrative requirements for employers.

Vacation and Vacation Pay Requirements

Bill 179 has modified the manner in which entitlement to vacation time is determined in particular circumstances. It has also altered record keeping and vacation pay reporting requirements.

- The ESA 2000 now expressly allows employers to designate an "alternative vacation entitlement year" (i.e., a common vacation anniversary date), whereby employees' vacation time and vacation pay entitlement are calculated on the basis of a recurring 12-month period starting on a date set by their employer. (In contrast, a "standard vacation entitlement year" refers to a 12-month period starting on the first day of employment of an individual employee—which corresponds to the system previously recognized under the ESA 2000.) Where an employee's start date does not coincide with the first day of his/her first alternative vacation entitlement year, the employee is entitled to a pro-rated vacation and vacation pay for the "stub period" (i.e., the period of time between these two dates), to be taken within 10 months after the end of that period.

- Employers no longer have to provide a vacation pay statement each time an employee takes a vacation. Instead, they are required to keep a record of each employee's vacation time and vacation pay entitlements for a period of at least three years. On written request, an employee is entitled to receive this information from his/her employer after the end of a vacation entitlement year or stub period. An employer is not required to provide such information to an employee more than once per vacation entitlement year or stub period.

- When an employee does not take his/her vacation in complete weeks and does not have a regular work week, the number of days of vacation to which he/she is entitled is to be calculated on the basis of the average number of days worked per week in the most recently completed vacation entitlement year (or stub period, as the case may be). Previously, entitlement was based on the average number of days worked per week in a specified four-month period.

- The limitation period for recovery of unpaid vacation pay has been extended from six months to 12 months.

Public Holidays

Provisions relating to public holiday pay have been clarified to take into account certain situations.

- A new subsection specifies that employees who perform all of the work that they agreed or were required to do on a public holiday, but who fail without reasonable cause to work all of their regularly scheduled day of work preceding or following the public holiday, have to be paid premium pay for hours worked on the public holiday, but are not entitled to public holiday pay or to another day off with pay.

- An employee on a temporary layoff or taking a maternity or parental leave when a public holiday occurs must be paid public holiday pay (if any is due), but is not entitled to a substitute day off work. It should be noted that, under the ESA 2000, public holiday pay must not be less than the amount of wages and vacation pay earned by the employee in the four work weeks preceding the work week in which the public holiday falls, divided by 20.

Termination and Severance of Employment

With respect to termination and severance of employment, the ESA 2000 now prescribes what is deemed to be a week of layoff for employees who do not have a regular work week. It also indicates how weeks in which an employee is unable to work for various reasons should be taken into account in determining whether or not a layoff is temporary, and what constitutes severance of employment.

- An employee who does not have a regular work week is considered to be laid off for a week if he/she earned, in that week, less than one-half[5] or one-quarter[6] the weekly average amount earned in a specified period of 12 consecutive weeks. Where such a period includes an "excluded week",[7] the "average amount earned" is based on average weekly earnings in the period's non-excluded weeks.

- Moreover, when determining whether or not an employee's layoff is temporary, an excluded week is counted as a week worked. Under the ESA 2000, a temporary layoff is defined as 13 weeks (or less) of layoff in a period of 20 consecutive weeks or, in certain cases, 35 weeks (or less) of layoff in a period of 52 consecutive weeks.

- An amendment has clarified that severance of employment occurs when an employer is unable to continue employing an employee.

- In addition to its other regulatory powers, the Lieutenant Governor in Council can now make a regulation providing that certain payments to an employee (e.g., pension and insurance benefits, bonuses, or similar arrangements) be taken or not taken into account when determining an employee's entitlement to notice of termination, termination pay or severance pay.

- Furthermore, a new provision specifies that, when an employee's employment ends, the employer is required to provide him/her a statement of wages—including information on termination, severance and vacation pay—no later than the date on which outstanding wages must be paid.

Other – Miscellaneous Provisions

Bill 179 has also modified several other sections of the ESA 2000, including provisions regarding rest periods, averaging agreements and enforcement of the Act.

- With respect to *rest periods*, an amendment has clarified that employees are entitled to 11 *consecutive* hours free from work every day.

- The provision regarding *averaging agreements* (subsection 22(2)) has been clarified. It now stipulates that an employer and an employee may agree to average hours of work over "separate, non-overlapping, contiguous periods" of not more than four *consecutive* weeks each.

- In terms of the ESA 2000's enforcement provisions, amendments have clarified that warrants must be executed between 8 a.m. and 8 p.m. and that, barring an appeal, the deadline for payment of a fine and related fees is 30 days after the day notice of contravention has been *served*. (Previously, payment had to be made within 30 days after the day a notice of contravention had been *issued*.)

- In addition, references to amounts "paid" or "received", as they appeared before in the definition of "regular rate" and various other provisions, have been changed to amounts "earned". This is meant to ensure that employees are not deprived of certain entitlements, such as overtime or severance pay, if their employer fails to pay them all of their wages.

- Finally, Bill 179 contained several transitional provisions and consequential amendments.

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[5] This applies when determining whether employment has been terminated for notice of termination or termination pay purposes.

[6] This applies when determining whether employment has been severed for severance pay purposes.

[7] An "excluded week" is defined as a week during which, for one or more days, an employee is not able to work, is not available for work, is subject to a disciplinary suspension or is not provided with work because of a strike or lockout at the place of employment or elsewhere.

The above amendments came into force on November 26, 2002, the day the *Government Efficiency Act, 2002* received Royal Assent.

Quebec: *Coming into force of certain provisions of the Act to amend the Labour Code, to establish the Commission des relations du travail and to amend other legislative provisions;* O.C.1314-2002, Quebec Official Gazette, Part 2, of November 20, 2002

This order in council set November 25, 2002 as the date of coming into force of the amendments to the *Labour Code* (brought in 2001 by Bill 31)[8], which had not yet taken effect. However, four aspects of the new provisions of the Code will come into force at a later date or have not yet taken effect.

The new provisions of the Code dealing with the time limits within which the Labour Relations Commission (Commission des relations du travail) will have to render a decision will come into force on September 1, 2003.

Amendments to the *Labour Code* permitting an employee to file a complaint with the Commission, if he/she believes that a certified association of employees representing him/her has acted in bad faith or in an arbitrary or discriminatory manner or has shown serious negligence in respect of the employee, will come into force on January 1, 2004 where the complaint does not pertain to a dismissal or disciplinary sanction. In the meantime, an employee, who is in this situation, can launch an action before the appropriate court.

The new provisions of the Code which empower the Government to issue regulations to fix the minimum amount of union dues to be paid by an employee in order to be considered a member and to determine the information to be included in the application for membership have not come into force.

Similarly, no date has been set for the coming into force of certain amendments to the conditions to be recognized as a member of an employee association. Thus, the requirement that the employee has personally paid as union dues an amount of not less than $2 within the twelve months preceding a petition for certification or a demand for assessment of the representative character of an association remains unchanged.

Moreover, provisions transferring the powers and responsibilities of the Labour Court and the office of the labour commissioner general to the Labour Relations Commission in relation to the *Act respecting labour standards* and the *Pay Equity Act* also came into force on November 25, 2002.

Quebec: Order 1322-2002 respecting the Journée nationale des Patriotes; Gazetted December 11, 2002

This order designates as "Journée nationale des Patriotes" (National Patriotes' Day) the statutory general holiday that falls on the Monday preceding May 25.

Quebec: *An Act to Amend the Act respecting labour standards and other legislative provisions;* Bill 143; Assented to December 19, 2002

The *Act to amend the Act respecting labour standards and other legislative provisions* (S.Q., 2002, c. 80), which was passed by the National Assembly on December 19, 2002, is part of a review of minimum labour standards officially launched on May 1, 2002 by Quebec's Minister of Labour. Indeed, this Act is based to a significant extent on the contents of a consultation paper prepared by the Ministry of Labour, entitled "Reviewing Labour Standards: A Collective Challenge". Consultations took place during the spring of 2002 on the basis of this document. It should also be mentioned that many amendments were made to Bill 143 after it was introduced on November 7, 2002.

[8] Amendments to the province's Labour Code were described in the winter 2001 issue of the Workplace Gazette, Vol. 4, No. 4.

Bill 143 represents the most important labour standards reform in Quebec since 1990. Its provisions focus on three main objectives: extending the application of the *Act respecting labour standards* (R.S.Q., c. N-1.1) (LSA) to more employees, better supporting work-family and work-life balance, and providing greater protection for employees. As a result, the new Act will amend many labour standards.

Scope of the LSA

Amendments will extend the application of the LSA to all domestics, including live-in domestic workers. With a few exceptions (such as standard weekly hours of work and overtime provisions), the LSA's provisions will also apply to all agricultural workers as well as to employees who take care of or provide care to a child or to a sick, handicapped or aged person, in that person's dwelling. Nevertheless, the LSA will not cover sitters whose duties are performed on an occasional basis (unless the work serves to procure profit to the employer) or solely based on the provision of family assistance or community help. The government will also be able to set by regulation, before June 1, 2004, a separate minimum wage for sitters. It will also be possible for such a Regulation to provide for a gradual increase of this minimum wage in order to attain, no later than June 30, 2006, the rate payable to other employees covered by the LSA.

Another amendment will ensure, subject to exemptions concerning certain groups, that the LSA applies to all employees, domiciled or resident in Quebec, who perform work outside Quebec for an employer whose residence, domicile, undertaking, head office or office is in Quebec. Currently, the LSA only covers such employees if they are not entitled to a minimum wage under the law of the jurisdiction where they work.

As is currently the case, provisions regarding absences for family responsibilities (examined later in this summary) will apply to workers in the construction industry and to senior managerial personnel, who are excluded from most of the LSA's other standards. As for the new psychological harassment provisions, they will apply to all employers and employees.

Psychological harassment

By means of this Act, Quebec will become the first jurisdiction in North America to expressly provide for remedies against psychological harassment in its labour legislation. Indeed, new provisions of the LSA will stipulate that all employees have a right to a workplace free from psychological harassment. In addition, employers will be required to take reasonable action to prevent psychological harassment and, whenever they become aware of such behaviour, to put a stop to it. Psychological harassment is defined as "any vexatious behaviour in the form of repeated and hostile or unwanted conduct, verbal comments, actions or gestures, that affects an employee's dignity or psychological or physical integrity and that results in a harmful work environment for the employee". A single serious incident of such behaviour could also be deemed to be psychological harassment if it has a lasting harmful effect on an employee.

As a general rule, an employee who believes he/she has been a victim of psychological harassment, or a non-profit organization dedicated to the defence of employees' rights acting on behalf and with the consent of one or more employees, will be able to file a written complaint with the Labour Standards Board (*Commission des normes du travail*) (CNT) within 90 days of the last incidence of the offending behaviour. On receipt of a complaint—unless it is frivolous or made in bad faith—the CNT will conduct an inquiry. It will also be able, at any time during the inquiry and with the consent of the parties, to request the Minister of Labour to appoint a mediator for the purpose of trying to reach a settlement. At the employee's request, the CNT will be able to assist and advise him/her during the mediation. Further, if the employee is still bound to the employer by a contract of employment, he/she will be deemed to be at work during the mediation sessions.

If the CNT, following an inquiry and where no settlement has been reached between the parties, agrees to pursue the complaint, it will be able to refer the latter to the Labour Relations Board (*Commission des relations du travail*) (CRT). It will also be possible for the CNT to represent an employee before the CRT. Should the CNT refuse to take action following a complaint, the employee, or an employees' rights organization, could nonetheless make a written request to the CNT to refer the complaint to the CRT.

If it considers that the employee has been a victim of psychological harassment and that the employer has failed to fulfill its legal obligations, the CRT will have to power to render any decision it believes fair and reasonable considering all the circumstances of the matter. In particular, it will be able to order the employer to reinstate the employee, to take the necessary action to put a stop to the harassment, to pay the employee an indemnity for loss of employment or to modify the disciplinary record of the employee who was a victim of psychological harassment. The CRT will also have the power to order an employer to pay the employee an indemnity of up to the amount of wages lost, to pay punitive and moral damages to the employee, and to pay, for a reasonable period of time it determines, for the psychological support needed by the employee; nevertheless, such payments may not be required for a period during which an employee suffers from an employment injury that results from psychological harassment. (An employee in such a situation could be compensated by the Occupational Health and Safety Commission (Commission de la santé et de la sécurité du travail.))

Certain provisions of the LSA regarding psychological harassment will be deemed to be an integral part of every collective agreement. An employee who wishes to file a complaint for psychological harassment will have to exercise the recourses provided for in his/her collective agreement, where applicable. However, parties to a collective agreement will be able to submit a joint application to the Minister of Labour for the appointment of a mediator. Lastly, these provisions will also be deemed to be part of the conditions of employment of employees appointed under the *Public Service Act* (R.S.Q., c. F-3.1.1) who are not governed by a collective agreement.

Protection of employee status

A new section stipulates that an employee "is entitled to retain the status of employee where the changes made by the employer to the mode of operation of the enterprise do not change that status into that of a contractor without employee status". A recourse is also provided for. An employee who disagrees with his/her employer about the consequences of these changes on his/her employee status will be able to file a complaint in writing with the CNT. Following an inquiry, the complaint may be referred to the CRT for it to rule, within 60 days of the filing of the complaint at its offices, on the consequences of the changes on the status of the employee.

Absences for family reasons

Two important changes will be made to current provisions pertaining to absences for obligations related to a child. First, an employee will be allowed to be absent from work not only to take care of a child who is a minor, but also when he/she must fulfil obligations related to the care, health or education of his/her child (regardless of age) or the child of his/her spouse, or because of the state of health of his/her spouse, father, mother, sibling, or a grandparent. Secondly, the maximum number of unpaid days of job-protected absence for family reasons will be increased from five to ten per year. An employee will be required to advise his/her employer of the absence as soon as possible and to take reasonable steps within his/her power to limit the use and duration of such leave.

In addition, a new provision will allow employees who have completed at least three months of uninterrupted service to be absent from work, without pay, for a period of up to 12 weeks over a period of 12 months when they must stay with their child, spouse, spouse's child, father, mother, sibling or grandparent because of a serious illness or a serious accident. It will be possible to extend this period of unpaid absence to 104 weeks where an employee's child, if a minor, has a serious and potentially fatal illness, attested by a medical certificate. An employee will have to advise his/her employer of such an absence as soon as possible and, at the request of the latter, to provide a document justifying the absence. While absent from work, employees will be entitled to maintain their participation in any group insurance and pension plans recognized in their place of employment, as long as they continue to regularly pay their usual contributions (in which case the employer will also have to pay its share of premiums). At the end of an absence, an employer will have to reinstate an employee in his/her regular position, with the same benefits and the wages to which the employee would have been entitled had he/she remained at work. If the position no longer exists, or if the employee would have been affected by dismissals or layoffs were it not for the absence, the employee will retain all rights and benefits to which he/she would have been entitled had he/she been at work (particularly as regards return to work procedures and any applicable compensation).

Finally, with respect to absences owing to a death in the family, employees will be entitled to an additional day off work without pay in the event of the death or funeral of their spouse, child, the child of their spouse, their father, mother, brother or sister. Hence, in such a circumstance, employees will be eligible to take a total of one day off without reduction in pay and four days off without pay.

Absences because of sickness or accident

The period during which an employee may be absent from work without pay, in case of a personal illness or accident, will be increased from 17 to 26 weeks over a period of 12 months (unless provisions of the *Act respecting industrial accidents and occupational diseases* apply to the illness or accident, in which case the LSA does not apply). The employee will have to advise the employer as soon as possible of the absence and the reasons therefor. As is the case for absences owing to serious illnesses or accidents involving family members (see above), employees will be able to maintain certain benefits during their absence and will be entitled to reinstatement in their regular position. However, the LSA will still provide that an employer may dismiss, suspend or transfer an employee if the consequences of the sickness or accident or the repetitive nature of the absences constitute good and sufficient cause in the circumstances. Furthermore, the government will have the power to fix, by regulation, the other benefits an employee may receive during an absence owing to sickness or accident.

Leaves for parental reasons

Bill 143 contains a number of amendments intended to harmonize the LSA's provisions with those of the federal *Employment Insurance Act* and Quebec's *Act respecting parental insurance* (the latter, adopted in 2001, has not yet come into effect). For instance, the LSA will provide for a new unpaid paternity leave of five consecutive weeks. An employee will be entitled to such a leave on the birth of his child. The leave will have to be taken in the period starting the week on which the child is born and ending 52 weeks after that week. At the end of such a leave, an employee will have the right to be reinstated in his regular position.

As is presently provided for in the LSA, an employee will also be entitled to take up to five days off work on the birth or the adoption of a child (the first two days being paid for an employee credited with at least 60 days of uninterrupted service). However, an amendment will extend this right to employees when a termination of pregnancy occurs in or after the twentieth week of pregnancy.

The provisions of the *Regulation respecting labour standards* concerning maternity leave duration will be incorporated in the LSA, with some modifications. For instance, should a maternity leave start on the week of delivery, that week will not be taken into account in calculating the duration of the leave. Additionally, if required due to the state of health of the mother or child, a maternity leave could be extended for a duration indicated in a medical certificate. The current six-week limit for such an extension would therefore be removed. Should a termination of pregnancy occur before the beginning of the 20th week preceding the expected date of birth, the duration of a special maternity leave could exceed three weeks if a medical certificate attests to the need for an extension of the leave. Moreover, a new section will allow an employee, following an agreement with her employer, to suspend her maternity leave for a period during which her child is hospitalized. Lastly, an employee will still be entitled to a special maternity leave when there is a risk of termination of pregnancy or a risk to the health of the mother or the unborn child. Where applicable, the "regular" 18-week maternity leave will be deemed to have started from the beginning of the fourth week (as opposed to the eighth week, as is currently prescribed) preceding the expected date of birth.

Amendments will also bring changes to the LSA's parental leave provisions. On one hand, their scope will be broadened to cover the adoption of a child under 18 years of age who is not the child of the employee's spouse (presently, the adoption of a child who has reached or exceeded the age of compulsory school attendance does not give entitlement to parental leave). On the other hand, as will be the case for absences owing to serious illnesses or accidents in the family (see above), an employee will be able to maintain certain benefits during his/her absence and will have the right to be reinstated in his/her regular position. The government will have the power to determine, by regulation, other benefits that can be maintained during an employee's parental leave and specify circumstances in which a parental leave may terminate 104 weeks after the birth or adoption of a child. A new provision will also enable an employee, with the employer's consent, to return to work on a part-time basis or intermittently during a parental leave. Lastly, certain additional amendments will prescribe, on the one hand, that a parental leave may start on the earliest in the "week" (as opposed to the "day") of the birth of a newborn or the "week" in which an adopted child is entrusted to the employee and, on the other hand, that notice requirements for parental leave do not apply if the employee must stay with the mother because of her state of health.

Hours of work

The LSA will provide for a new right of refusal related to overtime hours. It will allow employees, in general, to refuse to work more than four hours in excess of their regular daily working hours or more than 14 hours per 24-hour period—whichever is the shortest period—or more than 50 hours per week. An employee whose hours of work are flexible or non-continuous will be allowed to refuse to work more than 12 hours per 24-hour period. For employees working in an isolated area or in the James Bay territory, the right to refuse overtime will apply to hours exceeding 60 per week. There will nevertheless be some exceptions. First, this right of refusal will, in certain cases, be subject to section 53 of the LSA, which concerns the staggering of working hours on a basis other than a weekly basis. Secondly, it will not be possible to exercise this right in defined emergency situations (danger to life, health or safety of workers or of the population; risk of destruction or serious deterioration of property; or other fortuitous events) or if the refusal is inconsistent with the employee's professional code of ethics.

In addition, an employer will be prohibited from dismissing or otherwise taking reprisals against an employee for refusing to work beyond his/her regular hours of work to fulfill obligations related to his/her spouse, child, spouse's child, father, mother, sibling, or a grandparent. Nevertheless, this will only apply where the employee has taken reasonable steps within his/her power to assume those obligations otherwise.

Weekly rest periods

Minimum weekly rest periods will be increased from 24 to 32 consecutive hours. With respect to an agricultural worker, this period could be postponed to the following week, but only with his/her consent.

Statutory general holidays

Bill 143 will make two significant amendments to the LSA's provisions regarding statutory general holidays. On the one hand, it will eliminate the bulk of eligibility requirements: it will no longer be necessary for a statutory general holiday to coincide with the employee's working day or for the latter to have completed 60 days of uninterrupted service to qualify for a statutory general holiday. On the other hand, a new formula will apply to the calculation of the indemnity for a statutory general holiday. Thus, it will normally have to be equivalent to at least 1/20 of wages earned by the employee in the four complete pay weeks preceding the week in which the holiday falls, excluding overtime. However, employees remunerated in whole or in part on a commission basis will be entitled to an indemnity equal to 1/60 of wages earned during the 12 complete weeks of pay preceding the week in which the holiday falls. The indemnity will be calculated in the same way with respect to St. John the Baptist Day under the *National Holiday Act* (R.S.Q., c. F-1.1).

Another amendment will specify certain conditions that must be met when calculating the indemnity of an employee who receives tips and who is covered by a collective agreement or decree.

Annual leave with pay

Two additional paragraphs will be inserted to give more flexibility in determining when an annual leave can be taken. As a result, an employer could allow an employee, at the request of the latter, to take part or all of the annual leave during, rather than after, the reference year. An employer could also agree to defer an employee's annual leave to the following year, if the employee is absent at the end of the 12 months following the end of the reference year by reason of sickness or accident, or for family or parental matters. Should the annual leave not be deferred, the employer will have to pay to the employee the indemnity to which he/she is entitled.

As is the case with respect to maternity leave, the LSA will prescribe measures to ensure that an annual leave indemnity is not reduced by reason of an absence related to a paternity leave. An employer will also be permitted, in regards to an agricultural worker hired on a daily basis, to pay the annual leave indemnity at the same time as the employee's wages.

Payment of wages (tipped employees)

The LSA will provide that an employer must pay an employee earning tips at least the prescribed minimum wage, regardless of gratuities received. In addition, an employer will not be allowed to require that an employee pay credit card costs related to tips. Also, employers will be prohibited from imposing an arrangement to share gratuities among employees or intervening in any manner in the establishment of a tip-sharing arrangement. To be permitted, such an arrangement will have to result solely from the free and voluntary consent of the employees entitled to gratuities or tips.

Payment of uniform, costs related to the performance of a contract, travel expenses, and costs for training required by the employer

New provisions will prohibit an employer from requiring an employee to pay for special clothing that identifies the latter with the establishment of the employer, or requiring that an employee purchase clothing or accessories that are items in the employer's trade.

Moreover, an employer will not be permitted to require an amount of money from an employee for the purchase, use or maintenance of material, equipment, raw materials or merchandise, if this would result in the employee receiving less than the minimum wage. Nor will an employer be allowed to

require an amount of money from an employee to pay for expenses related to the operations or to mandatory employment-related costs of the enterprise. The LSA will also provide for the reimbursement of reasonable expenses incurred by an employee in relation to travel or training required by the employer. As well, any travel, trial period or training required by the employer will also have to be counted as time worked.

Collective dismissals

Bill 143 will transfer to the LSA the provisions of the *Act respecting manpower vocational training and qualification* pertaining to collective dismissals. It will at the same time modify their content to a certain extent.

- The LSA will specify that a collective dismissal constitutes a termination of employment involving at least 10 employees *of the same establishment* in a period of two consecutive months. Presently, collective dismissal provisions apply to an employer who dismisses employees at one or more establishments in a given region.

- These provisions will not apply to establishments whose activities are seasonal or intermittent or to layoffs for a period of less than six months, as is currently the case. But, under the LSA, they will also exclude employees who have less than three months of uninterrupted service, whose contract for a fixed term or for a specific undertaking expires, or who have committed a serious fault. Employees in the public service will also be excluded.

- The minimum notice period that an employer must give before proceeding with a collective dismissal will now be calculated in weeks rather than months. Thus, the required notice period will be eight weeks for a collective dismissal involving 10 to 99 employees, 12 weeks for a dismissal involving 100 to 299 employees are dismissed, and 16 weeks when a termination concerns 300 employees or more.

- Instead of giving the notice of collective dismissal to the Minister of Labour, an employer will in the future have to send it to the Minister of Employment and Social Solidarity and transmit a copy to the Labour Standards Board as well as to any certified association representing the employees affected by the dismissal. The notice will also have to be posted in a conspicuous and readily accessible place in the establishment concerned.

- An employer that fails to give sufficient notice will be required to pay to each dismissed employee an indemnity equivalent to his/her regular wages, excluding overtime, for a period equal to the difference between the period of notice actually given and the minimum period prescribed by the LSA. This indemnity will have to be paid at the time of the dismissal, six months after the beginning of a layoff of indeterminate length, or once a layoff expected to last less than six months exceeds that period. However, an employee will not be entitled to cumulate this indemnity with the indemnity provided for in cases of individual dismissals (i.e., under section 83 of the LSA): the employee will be entitled to the greater of the two indemnities. Moreover, an employer will not be required to pay an indemnity in case of a superior force or where an unforeseeable event prevents it from giving the required notice for a collective dismissal.

- An employer that does not give sufficient notice will also be liable to a fine of $1,500 per week or part of a week of failure to comply or late compliance. The fine will have to be paid into the labour market development fund administered by the Ministry of Employment and Social Solidarity.

- During the period of notice, an employer will be entitled to change neither the wages of an employee affected by the collective dismissal nor, where applicable, the group insurance and pension plans recognized in his/her place of employment without the written consent of the employee or the certified association that represents him/her.

- The LSA will specify the mission, composition and financing of "reclassification assistance committees". It will also indicate explicitly that the parties involved (i.e., the employer and the certified association or, should there be no such association, the representatives chosen by the employees affected by the collective dismissal) will be required to collaborate in carrying out the committee's mission. The establishment of a reclassification assistance committee will not be required where a collective dismissal involves less than 50 employees. The Minister of Employment and Social Solidarity, on the conditions he/she determines and after giving the interested parties an opportunity to present observations, will also be able to exempt an employer from part or all of the provisions related to reclassification assistance committees, if the employer offers, to employees affected by a collective dismissal, work reinsertion assistance that meets or surpasses the requirements of the LSA.

Recourse against dismissals not made for good and sufficient cause

The minimum period of uninterrupted service required to be entitled to present a complaint regarding a dismissal not made for good and sufficient cause will be reduced from three to two years. Consequently, this will expand accessibility to such recourse.

It should be noted that a person whose exclusive duty is to take care of or provide care to a child or to a sick, handicapped or aged person, if the Labour Relations Board considers that he/she was dismissed without good and sufficient cause, will only be entitled to an indemnity corresponding to the wages and other benefits he/she would have earned were it not for the dismissal. The same provision will also cover domestic workers; thus, the limit that currently applies to the amount of the indemnity they can receive (i.e., three months of wages and benefits) will be eliminated.

Recourse against prohibited practices

A paragraph will be added to the list of prohibited practices stipulated in the LSA. Its aim will be to protect an employee against dismissal or other forms of reprisal on the ground that the CNT is conducting an inquiry in an establishment of the employer.

In addition, as mentioned earlier under "Hours of Work", employers will be prohibited from taking any reprisals against an employee who refuses to work beyond his/her regular hours of work to fulfill certain family-related obligations.

Furthermore, in addition to prohibiting an employer or its agent from dismissing, suspending, or retiring an employee by reason of age or years of service, the LSA will also forbid discrimination or reprisals against an employee for the same reasons.

Administration of the LSA

Notwithstanding adjustments required because of additional standards and the broader scope of the LSA, the CNT will be given new powers and responsibilities related to the preparation and dissemination of information documents pertaining to the LSA.

Other amendments

Provisions regarding the creation of a special fund to reimburse employees for lost wages in case of their employer's bankruptcy will be removed. It should nevertheless be noted that these provisions, initially adopted in 1979, never came into effect.

In addition, a new provision will be added to the *Act respecting the Ministère du Travail* (R.S.Q., M32.2). As a result, the Minister of Labour will have to conduct or commission studies on changes in conditions of employment in Quebec and make such studies available every five years, in collaboration with the bodies concerned.

Finally, Bill 43 will make a number of consequential amendments to the LSA as well as to other statutes, such as the *Act respecting industrial accidents and occupational diseases* (R.S.Q., c. A-3.001), the *Labour Code* (R.S.Q., c. C27) and the *Act respecting manpower vocational training and qualification* (R.S.Q., c. F5).

Coming into force

Most provisions described above will come into force on May 1, 2003. As for provisions regarding sitters and those pertaining to psychological harassment, they will become effective on June 1, 2004. Finally, provisions related to paternity leave will come into effect on the same date as section 9 ("Paternity benefits") of the *Act* respecting parental insurance (L.Q., 2001, c.9).

This article is based on bills, official gazettes and other pertinent documents received before March 5, 2003

For additional information on recently adopted or proposed changes to Canadian Labour Laws, please visit the Labour Program Web site at

http://labour-travail.hrdc-drhc.gc.ca

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Readers' Corner

Michèle Auger, Fred Longley and Edward Popoff
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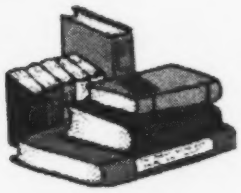

Integrating People with Disabilities into the Workforce

Bolles, Richard Nelson and Dale Susan Brown. **Job-Hunting for the So-Called Handicapped or People Who Have Disabilities**. 2nd ed. Berkeley, Califor ia: Ten Speed Press, 2001.
HRDC HV1568.5 B64 2001

This American book presents creative job hunting techniques designed specifically for people with disabilities. The authors explain the protection provided by the Americans with Disabilities Act as well as what the Act will not do for job seekers with disabilities. They discuss the fears of the employer and those of the job applicant with a disability, and suggest strategies to overcome these barriers. Appendices include a section on handling special situations, resources for recently disabled persons, and a bibliography.

Gold, Evelyn. **Creating a Successful Skills Training Partnership: Employment Program for People with Disabilities: A Handbook for Project Leaders.** Toronto: Canadian Council on Rehabilitation and Work, c1999.
HRDC CA1 MPY203 99C67

This handbook outlines the Skills Training Partnership model developed by the Canadian Council on Rehabilitation and Work, which is based on the establishment of partnerships with community agencies, service providers, employers, and job seekers with disabilities. It aims to prepare individuals with skills and experience to fill available positions with the employer partner and to help management and employees develop an understanding of disability-related issues in the workplace. Detailed guidance is given for the establishment of a skills training partnership, design of a training program, outreach and selection of candidates, preparation of the workplace, and continuous quality improvement and project evaluation.

Hagner, David. **Career Advancement: Strategies and Tools: A Guide to Assist Individuals with Disabilities to Advance Beyond Entry-Level Employment.** Syracuse, N.Y.: Program Development Association, c2002.
HRDC HD7255 H33

This manual aims to help individuals with disabilities to advance beyond entry-level employment to more satisfying career levels. Each chapter deals with a different aspect of career advancement and contains one or more worksheets. The chapters can be used to customize an action plan for career advancement. Topics include assessing job satisfaction; growing on the job; support networks; goals, plans and interests; obtaining experience; and training in a new job.

Leach, Steve. **A Supported Employment Workbook: Individual Profiling and Job Matching.** London, England: Jessica Kingsley Publishers, 2002.
HRDC HD7256 G7 L42

This book brings together best practices in supported employment realized through partnerships among employees, employers and service providers. It emphasizes the principle of self-determination—ensuring that individuals make their own career choices. This publication examines vocational profiling, job search and marketing, job analysis to match the person's needs and expectations, support review, and progression to unsupported employment. Sample exercises are provided throughout.

Managing Disability in the Workplace: ILO Code of Practice. Geneva: International Labour Office, 2002. ILO Code of Practice Series.
HRDC HD7804 G47

The International Labour Office Code of Practice was developed to guide employers in designing strategies for the management of disability-related issues in the workplace, especially concerning recruitment, promotion, job retention, return to work, and accommodation.

Martin, James E. et al. **Self-Directed Employment: A Handbook for Transition Teachers and Employment Specialists.** Baltimore, Maryland: P.H. Brookes Publishers, c2002.
HRDC HV1568.5 S44

Based on a decade of research and field-testing, this book offers step-by-step strategies to help people with disabilities make their own employment choices. The authors describe their Self-Directed Supported Employment model, which ensures that the person remains in control, as an active participant, of all aspects of interest and skills assessment, job search, and evaluation and retention of the job. Detailed advice is offered on guiding individuals through the self-directed process, supplemented by photocopiable forms, sample resumes, and "what-if" tables that address difficult scenarios.

Supported Employment in Business: Expanding the Capacities of Workers with Disabilities. Edited by Paul Wehman. St. Augustine, Florida: Training Resources Network, 2001.
HRDC HD7256 U6 S96

This practical and comprehensive book comprises three major sections: 1) how supported employment works, including a discussion of future directions; 2) applications for specific disability groups; and 3) critical contemporary issues in supported employment, such as conversion from sheltered work to integrated employment, transition from school to work, and evolution of supported employment to self-employment. Summary tables are used extensively.

Wright, Ruth. **Tapping the Talents of People with Disabilities: A Guide for Employers.** Ottawa: Conference Board of Canada, 2001.
HRDC ZZ CB CA101a O1T17

Developed in partnership with the Ontario Ministry of Citizenship, this guide encourages employers to access a large and underutilized source of Canadian talent: people with disabilities. Change in this area will benefit both those with disabilities and, in a period of looming labour shortages, businesses requiring workers with skills to enhance productivity. Practical advice focuses on connecting with people with disabilities, recruitment and selection, elimination of barriers, integration through creation of an inclusive workplace culture, and accommodations for individuals with specific disabilities.

NOTES

1. *For other available references in French language only, see the French version of the Workplace Gazette / Gazette du travail.*

2. *Human Resources Development Canada employees can borrow these items from the Departmental Library. Others can borrow them through their own library.*

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YESTERDAY and TODAY

by

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The Effects of the Technological Environment

Fifty Years Ago...

In 1953, following McGill University's 5th Annual Industrial Relations Conference, the *Labour Gazette* published statements made by Professor Robert H. Guest of Yale University, regarding the effects of technology.

In the days of mass production, rigid assembly lines were firmly implemented in several industries. In order to maximize profits, an optimal production rate was determined based on machine speed. The use of technology resulted in excessive task fragmentation whereby, employees carried out a short cycle of operations in the least possible amount of time leading to repetitive work.

At that conference, Professor Guest presented his findings on the effects of technology on the work environment. He stated that the profits generated by businesses adopting mass production came at a significant cost: high employee absenteeism and turnover rates, constant tension on the assembly lines as well as poor product quality. The Professor proposed that joint committees be set up during the planning of technological changes, suggesting that "much can be accomplished through the collective bargaining process to adjust to change." These committees were to move from the practice of adapting the workers to the machines to the opposite by adapting the machines to the workers.

Today...

Businesses operate within an increasingly fierce competitive context. Business production is constantly changing, at both quantitative and qualitative levels. The second national survey on labour organizations and innovations, 2000–2001, provides insights into technology. Close to half (48.2 per cent) of unions report the significant extent of the changes in terms of new technologies while 83.5 per cent report intensification in the rate of technological change. Although 30.8 per cent of the respondents declared that employers were putting greater efforts to involve the union in the process of change, the Workplace Information Directorate's internal data bases show little change. In fact, over the last two decades, there has been very little variation in the presence of joint committees dealing with technological change. Such committees are present in 35 per cent of the manufacturing sector collective agreements, which is the sector where there is the greatest number of assembly lines, compared to 15 per cent for the rest of Canadian industries.

The use of technology facilitates the adaptation of labour to constant production variations. Several organizations try to hire a flexible labour force, able to face the challenges of changing technology, especially within the context of an aging labour force and a shortage of qualified workers.

Flexibility is the key to survival when it comes to new technologies. Businesses essentially try to decrease their production time and manufacture a

better quality product, while the employees aspire to improve their working conditions and to balance work and life demands. This is often addressed through flexible, compressed and short-time work schedules and through telecommuting. Reducing working time often results in the creation of non-standard jobs such as contract or temporary work, self-employment or the involuntary recourse to part-time work. However, the need for flexibility created by the introduction of new technologies may meet the needs of both the individual and the organization.

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Information sur les milieux de travail

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Wage Settlements Bulletin

A monthly publication providing the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. **Subscription**: Canada, 1-yr: $220 or 2-yrs: $400 plus 7% GST; other countries, U.S. 1-yr: $220 or 2-yrs: $400. (Available by e-mail, mail or fax).

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